The China Weekly

REVIEW

密勒氏評論報

A Weekly Newspaper Established in 1917

Neutrality Law Responsible for Talk of U. S. Withdrawal from Asia

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CHINA'S RED PROBLEM BECOMES AN INTERNATIONAL FOOTBALL

THREE important European nations, in addition to Japan profess deep interest in China's so-called red problem. The European nations are Germany and Italy, now allied with Japan in a secret military pact, and the Soviet Union. While all three, Germany and Italy and the Soviet Union profess deep interest in the Chinese red problem, from different points of view, it is quite obvious even to school children that two of these nations are using the communist question as a camouflage for pushing their political activities in Asia. Germany and Italy, promoters of the so-called Fascist Bloc, are headed by dictators who, in order to retain power, have promised their followers to restore their respective countries to ancient positions of grandeur. This means acquisition of colonies, hence it was a natural development that Hitler and Mussolini should link up with Imperial Japan whose military dictators have similar ambitions. The Soviet Russians, having territory to lose, are on the other side. But everybody professes deep interest in China's so-called reds, an impoverished band of soldiers and politicians who have managed to stick together through adverse conditions for a decade. They number anywhere from 50,000 to 100,000, probably not more than half being armed.

Had China not been subjected to outside interference the red problem would have been solved in some manner long ago. But since the reds, as armed semi-independent units, within the Chinese revolutionary army, were a direct result of the original radical Canton-Moscow alliance, it was natural that other nations with interests in the country should be concerned. China was constantly being pressed this way and that while foreign espionage offices set up on Chinese soil kept the pot boiling with their secret reports and propaganda.

Russia's connection with the Chinese reds, following the break with Gen. Chiang Kai-shek in 1927 was not always clear and frequently there

was evidence that the Chinese communists were receiving more support from radical groups in Britain, United States, France and other countries than they were from Russia. As a matter of fact the Chinese reds, originally adherents of the Trotsky brand of communism, were not in good favor at Moscow for a considerable period. To argue that any Chinese military group, regardless of its political inclinations, could be ordered about over the Chinese landscape by some master-mind in Moscow or anywhere else was rather far-fetched. Most of the high-sounding political theories allegedly held by the Chinese red leaders were, in all probability, the creations of foreign advisers or well-wishers. But this does not dispute the obvious fact that the red armies, being at outs with the Government over the objectives of the nationalist revolution, found it strategically advantageous to espouse the cause of the under-dogs in the Chinese social body, the hard-working peasant farmers who make up the masses of the population. After the split with the Kuomintang in 1927 the reds lost their contact with the laborers in the industrial centers, a break now in process of being healed, if one would read significance into the present wave of strikes. Nanking's desire to meet this issue was indicated in the New Life Movement, Program for Economic Reconstruction, promotion of cooperatives and in other ways, the most important of which was Gen. Chiang Kai-shek's railway and road-construction which actually provided jobs and rice-bowls.

Agnes Smedley, an American woman writer, long associated with the Chinese red leaders, stated in the course of an explanation of the Sian incident (*The Nation*, Feb. 13) that after the formation of the People's Front in Spain and particularly in France, the agitation arose for a Chinese People's Front to fight China's chief enemy, Japanese imperialism. Continuing, she alleged that Gen. Chiang Kai-shek and his followers, however, looked rather to Fascist Germany and Italy as examples, "but the true face of fascism was revealed to China in the Japanese-German alliance and the German and Italian recognition of Manchukuo."

That the German-Japanese alliance and German-Italian recognition of Manchukuo had a direct bearing on the Sian developments was obvious because the reports of these happenings had much to do in throwing the ex-Manchurian (Tungpei) troops into alliance with the Chinese reds. That the formation of the so-called People's Front in Spain had any effect on Chinese politics in the Northwest was highly improbable, but if it did, it probably has since been dissipated as a result of later disastrous developments on the Spanish front. Although it sounds dramatic to associate Sian developments with movements in other parts of the world, it is unlikely that there was any direct connection. What happened in Sian was that two groups of half-starved soldiers found common cause for opposition to the Government and since Gen. Chiang Kai-shek represented the government and was available they took direct action against him.

The most dramatic element in the Sian developments, from an international standpoint, was Moscow's immediate support of Gen. Chiang Kai-shek and repudiation of the Sian rebels, and advice to the red leaders to support the Nanking Generalissimo. Moscow also, according to report, repudiated the so-called "United Front," which had been propagated in China for a considerable period by foreign adherents of one or the other brands of communism. Of course what happened was that Russia, being primarily interested in the vital problem of self-preservation, was quite willing to forget or even repudiate social-reform programs, providing the Chinese could be encouraged to unite against Russia's chief enemy, Japan. The Russians knew that a Spanish-type civil war in China on Russia's border would quickly drag in both Russia and Japan and the long-expected major conflict would be on. The Russians frequently boast of their ability to defeat all comers, but no one realizes more than the Russians themselves the dangers involved in the tribal politics of Central Asia. Therefore Moscow advised the Chinese reds to support Gen. Chiang Kai-shek and, also, in all probability has more lately advised them to forget their political isms and join up with Nanking. But whether Moscow advised it or not, the reds would have done so anyway, otherwise they would have starved or been compelled to fight their way out to greener pastures.

The inspiration which caused the Chinese reds to give up the struggle, was the same inspiration which caused Kwangsi and other rebellious elements in the South to join with Nanking —the desire to unite in a last desperate effort to save the nation and race from Japanese domination. Of all the international developments which made the Chinese realize the dangers of their situation nothing equalled the German-Japanese alliance and the German-Italian recognition of the puppet state of Manchukuo. That development had a familiar ring to Chinese ears—it was the ominous language of old European politics when the break-up of China was an open subject of discussion. And as European intrigue concerned with the expected break-up of China produced the Boxer rebellion of 1900, a repetition of this intrigue as now evidenced in external activities over the red situation, may produce reactions even in these modern days which would surpass the tragedies of the Boxer revolt.

Pending Neutrality Law Vitally Affects China and U. S. Interests in Far East

THE U. S. House of Representatives began consideration, on March 12, of the so-called McReynolds Neutrality Bill which proposes permanent continuation of the present temporary neutrality laws which expire on May 1. Like the Pittman Neutrality Bill which passed the Senate on March 3, the McReynolds Bill is designed to prohibit, at the discretion of the President, the export of war materials to belligerents.

The objective of the new legislation which has aroused intense interest all over the world and which is of particular interest to China is to prevent the United States from becoming involved in war. China would be affected by the new legislation in two ways, first, in the event of an outbreak of civil war; second, in the event of an outbreak of war between China and Japan. For these reasons the pending law deserves serious consideration not only by the Chinese but also by American and other foreign businessmen.

On March 3rd the Senate passed the so-called Pittman Neutrality Bill, which was thereupon sent to the House of Representatives where it carries the name of Congressman McReynolds who introduced it in the lower chamber. As the McReynolds Bill differs considerably from the Pittman Bill which was passed by the Senate the debate in the House is likely to be of more interest than that which preceded the passage of the measure in the upper chamber. A somewhat similar law was passed by the last session of Congress, designed to prevent the United States from becoming involved in Mussolini's war of conquest in Abyssinia and the threatened war in the Mediterranean. The law was to remain in effect until May 1, pending enactment of permanent legislation.

While the complete text of the Pittman Bill is not yet available, some extracts from the debate cabled to this part of the world give an idea of its contents. For example, Senator William E. Borah, Republican and former Chairman of the Senate Foreign Relations Committee, and Senator Arthur H. Vandenberg, who was prominently mentioned as a Republican candidate for President in the last election, both strongly opposed the Pittman bill, declaring that it amounted to an abandonment by the United States of the doctrine of freedom of the seas. Senator Hiram W. Johnson, Republican of California, who with Senator William E. Borah, were the chief opponents of America's adherence to the League of

IF WE ARE DRAGGED INTO THE NEXT EUROPEAN WAR THIS WILL BE THE REASON

This cartoon by the famous artist McCutcheon was published in *The Chicago Tribune* at the time the Neutrality Bill was under consideration in the U. S. Senate.

Nations following the last world war contended that passage of the Pittman Bill would mean abdication of the right to declare war, which was the last and most important function of Congress. He declared that the neutrality bill would put the United States into alliance with Great Britain in the Atlantic and Japan in the Pacific.

According to a brief summary cabled to the Far East by *Reuters* it contains the following three chief provisions:

1. Loans and exports of munitions to belligerents in an international or civil war are forbidden.
2. Other commodities cannot be exported to belligerents until their ownership has been transferred from Americans to a foreign purchaser.
3. American merchant vessels must not be armed and American citizen are forbidden to travel on vessels belonging to belligerents.

All provisions of the bill would become automatically effective whenever the President of the United States proclaimed the existence of a state of war between two nations or a state of civil war within a particular nation. The President is also given discretionary power to forbid American ships to carry any material, shipment of which might endanger American peace.

It was significant that two days following the Senate's passage of the Pittman measure the House of Representatives passed the naval appropriations bill, carrying an outlay of US$526,555,428.00, after defeating amendments which had been submitted by Congressman William B. Umstead, requesting the President to call a world disarmament congress and another proposal by Congressman Everett M. Dirksen of Illinois to restrict United States naval manuevers to 300 miles of the mainland.

A complete summary of the Pittman Bill, which carries the popular title of America's "cash and carry foreign policy", was published in the *North China Daily News* on March 11. The article was written by the newspaper's Washington correspondent, whose name was not given, but it was obvious from a perusal of the article that the correspondent was not in sympathy with the efforts of Congress to prevent the United States from becoming involved in the next world war. The writer declared in the opening paragraph that the assumption is general in the United States that a European war is inevitable in a few years time, and that being so, it is the aim of members of the present Congress to enact legislation which will keep the United States from becoming involved. In order to accomplish that aim Congress is prepared to abandon the old doctrine of neutral rights, to give up the traditional theory of freedom of the seas and withdraw national protection from those Americans who attempt to trade in war time with belligerent countries.

In the last paragraph the writer of the article stated that, "To listen to some Congressmen talk, it is evident that they would much rather fight everybody than aid anybody. Hence you get the most ardent pacifists, isolationists and neutrality seekers cheerfully voting the largest military and naval budget in United States peace history. America intends to keep out of war even if she has to fight both sides in order to do it."

From this distance it appears that Congress is trying to prevent President Roosevelt from following in the footsteps of his illustrious predecessor, the late Woodrow Wilson, who was reelected with the slogan, "He kept us out of war." But despite this the United States soon afterward became involved in the war on the side of the Allied Powers. In order to get the Americans in, it was necessary to give the war, or rather the Allied side, a high moral tone. Hence Americans were told that they were fighting to make the world safe for democracy. Also they were told that the major objective was to create conditions whereby there would be no more wars. In other words it was to be the war to end war! But at the Peace Conference, in which the United States participated as an "associated power," it developed that the War had merely been another struggle between rival groups in Europe, which were actuated by the same old ambitions for power, territory and political influence. This was exemplified in the undignified squabble over the former German colonies. The United States had no desire to acquire any of the territories of the defeated Central Powers but it became necessary for President Wilson to invent the scheme of "mandates" in order to keep the former Allies from flying at each other's throats at the peace table.

Although the U. S. Congress refused to permit the United States to participate in the League of Nations Americans did their share and more to promote peace in Europe by lending vast sums of money not only to the Allies for rehabilitation, but also to the Central Powers in order to enable the Germans and Austrians to pay the heavy indemnities which had been assessed against them. But practically all of these loans have since been defaulted, the defaults constituting a major cause of the devasting economic depression in the United States. This greatly embittered the people against further involvment in other people's wars, and explains briefly the background of present Congressional debates on the Neutrality Bill.

According to the article from the Washington correspondent of the *North China Daily News*, the Pittman Act not only abandons U. S. neutral rights, but also abandons the more recent conception implicit in the Kellogg Pact. Congress now contemplates the drawing of a circle around

the entire United States; and while the fact that one nation might be less responsible for war than another one, cannot be denied entirely, it is argued that moral responsibility has nothing to do with the United States. The United States has no concern in moral judgments. It has no business in trying to prevent a war before it breaks out or attempting to settle it after it has started. Its sole concern is in keeping the country out of trouble; in other words America is not her brother's keeper.

Senator Key Pittman, Chairman of the Foreign Relations Committee, was quoted as blandly remarking, "We sympathize with the weak, but it is better for us that they suffer than that our citizens be dragged into war unnecessarily. We cannot be deterred by the effect of our domestic action upon any belligerent." Leaders of American opinion, owing to the sincerity of their conviction that America should stay out of war and maintain complete isolation, do their best to offset the sentimental and moral feelings of their countrymen by insisting first that all foreign wars are highly regrettable, and, secondly, that the United States was deluded into entering the last one by munition makers, money lenders, and others anxious to make their profits safe.

There were many conflicting views with regard to the present legislation, but the prevailing idea is said to be not to try to stop wars or to prevent wars, but to keep the United States out of wars. It might almost be said out of the 1938 European war. The second neutrality action is designed in such manner that in applying approximate measures to keep the United States within its charmed circle no discrimination shall be shown. All warring countries must be treated alike. The United States will have nothing to do with the League conception of bringing pressure to bear on an aggressor. Like Pontius Pilate, who washed his hands of a great moral issue, Congress asks what is aggression, and dismisses another great moral issue because of its complexity.

As indicated in the foregoing, the clause in the Neutrality Bill which obliges belligerents to transport certain American products in their own vessels would, for example, make the United States the virtual ally of Japan, in the event of war between the U.S.S.R. and Japan or in a war between Japan and China, because Japan's fleet is more powerful than the naval forces of either Russia or China. Attention was called to this point by Senator Borah in the Senate debate on the Pittman Bill. Senator Borah also pointed out that the law might have the effect of forcing warring nations to launch attacks on each other near to the shores of the United States, or it might even lead to aerial attacks against important centers of production on American soil. Borah urged the rapid upbuilding of the American fleet sufficiently strong to defend the foreign commerce of the United States.

Of particular interest to the Chinese Government and American businessmen concerned with the sale of military and other supplies to the Chinese Government, the enforcement of the Neutrality Law, in the event of an outbreak of civil war within China or war between China and Japan, would be to cause America to lose its best customer in the Orient for war materials. The importance of this item in Sino-American trade was indicated in a recent report of the U.S. Department of Commerce showing that in 1936 China bought aviation materials alone to the amount of U.S. $7,185,556 from American manufacturers. While the Chinese have no love for the German Nazis, now in alliance with the Japanese, it is reported that Nanking has been compelled to turn to the Germans for future war materials and recently has begun construction on a German-designed factory for the production of airplanes located in an interior province.

China's decision to make peace with the Chinese reds has obviated the necessity of President Roosevelt being forced to rule on the existence of a civil war in China. As a matter of fact China's constant designation of the communists as "red-bandits" may have been inspired, partially at least, with a desire to side-step the charge of staging a civil war. But an open clash with the Japanese would be an entirely different matter—whether due to China's attempt to recover lost territory by force of arms or an attempt on Japan's part to use her army to grab more Chinese territory in the North or elsewhere.

The enactment of the Neutrality Bill by Congress in its present form would also create a further dilemma in China's international alignments, because the American law would tend to force China into the fascist bloc consisting of Japan, Germany and Italy, or to follow a course which the Japanese claim Nanking already has adopted—thrown herself into the arms of Great Britain!

The failure of the present Administration to prevent Japan's ejection of American business houses from the puppet state of Manchukuo through the closure of the Open Door in that area and the seemingly complete lapse of traditional American policy in the Far East, plus the enactment of the Neutrality Law have had much to do with the prevailing impression that America is withdrawing from the Orient. In short, the policies of the present administration have played into the hands of the Japanese propagandists.

For many months the Japanese have been propagating throughout Asia the story of America's "withdrawal" from the Far East, particularly from China. Several months ago a former American newspaper correspondent named Frederick Moore, long in the employ of the Tokyo

Foreign Office, issued a statement forecasting an early withdrawal of American activities from China on the ground that the trade was unprofitable due to the heavy expense of protecting Americans with the U.S. Army and Naval units stationed on Chinese soil. More recently there was an article by another writer who resides in Tokyo, Willard Price, who made a similar forecast. A reference to Mr. Price's article appeared in last week's issue of *The Review*.

Then there have been the writings of Ralph Townsend and others of similar inclinations who have sought to undermine traditional American policy based on the Open Door and at the same time spread their theories regarding the the inferiority of the Chinese race and the superiority of the Nipponese.

Pacifist organizations in the United States whose members' enthusiasm for peace greatly outweigh their knowledge of conditions outside the United States, have served as willing allies of Japanese propagandists who are intent upon driving America out of Asia. The pacifist groups have been frightened by reports of Japan's warlike activities and have advocated it would be cheaper and less painful for the United States to scrap its commercial, educational and missionary enterprises in China than to attempt to protect them against Japanese opposition.

If one would dig deeply into the incentives behind this seemingly widespread propaganda to "get America out of the Orient," it probably would be discovered that much of it originated in the inner circles of Japan's so-called "cultural bureaus" which have been established over the world since the beginning of the Japanese military expansionist movement in Manchuria in 1931. That the Japanese movement is widespread was indicated in an illuminating three-line editorial item in a recent issue of the *Tokyo Miyako* stating that "Siam has agreed to cooperate with Japan in driving American and European influence out of the country".

But while Japanese propaganda has played its part in the drive to frighten the Americans out of Asia, or induce them to sidestep the complications of Asia by pulling up stakes and going home, the Japanese have not been entirely responsible.

Chinese Delegation Appointed to Participate in International Exhibit at Paris

A Chinese delegation has been appointed to participate in the forthcoming International Exhibition at Paris. Headed by Dr. Chu Min-yi, former secretary-general of the Executive Yuan, the delegation is composed of four other members, namely, Messrs. Chao Tze-yu, Liu Hu-cheng, Hsieh Tung-fah and Liu Hsi-chang. Hsieh Tung-fan, a staff member of the Chinese Embassy in Paris, is now looking for a site for the Chinese exhibits, while Dr. Chu and the other three members sail on April 2 aboard the s.s. *Victoria*. The Hopei and Chahar Political Council has commissioned Mrs. Hsiung Shao-ho, wife of a member of the Foreign Affairs Committee of the Council, and Miss Tang Yung-ling to attend the exhibition. The two women delegates will come here from the North to join Dr. Chu's party.

S. M. C. Barricades Houses in Order to Collect Taxes

The Shanghai Municipal Council annually assesses a sum of about $700,000 upon the occupants of houses having frontage on Municipal roads built beyond the Settlement limits with money raised in past years from taxes paid by those living within the Settlement. The status of these outside roads has been a matter of dispute and negotiation between the Foreign Municipality and the City Government of Greater Shanghai for several years past and an agreement would have been come to long ago (the net result of which would have been to hand these roads over to Chinese jurisdiction), had not the Japanese authorities refused to sanction such an arrangement. The Japanese are particularly interested in the subject as it affects the roads jutting out from the Settlement on the Northern boundary, but in the absence of an agreement the Foreign Municipality continues to police and control all the outside roads, a great many of which run out into the surrounding country from the Western boundary.

Ever since these roads were constructed, many decades ago, the Foreign Settlement has collected taxes from all properties which abut on these roads. The Settlement authorities have collected these taxes by means of "extra-legal" measures. In past years the public service companies, such as the water company, the gas company, etc. have been under an obligation, according to the contracts made with them, not to extend their services to such householders as have refused to pay the Municipal taxes, which are assessed at a slightly lower rate than those which have to be paid by those who live within the Settlement itself. As an ultimate measure, the Foreign Settlement authorities can put up barriers shutting off entrance to the premises from the roads in case any householder contravenes a Municipal order. Such a proceeding was enforced several decades ago against a gambling establishment which flew the flag of a country which permitted gambling, when it resisted Municipal efforts to close the establishment.

The whole subject of this matter of control of the outside roads, and particularly of the taxation of properties abutting thereon by the Shanghai Municipal Council, was brought vividly to public attention in the early hours of Mar. 11, when, despite a downpour of rain, workmen, under the direction of the Foreign Municipality police, placed barriers blocking up entrance to lanes leading into Tifeng Road, lying to the west of the Settlement. Here is located a block of more than a hundred foreign-style houses known as Yu Ku Terrace, inhabited mostly by Chinese. A large proportion of the tenants of these houses, taking advantage of the friction between the Foreign Settlement and the Chinese Municipality, have avoided payment of taxes either to the one or the other. The houses are owned by the Tung Loh Real Estate Company.

The decision to block up the entrances to the houses was taken after warning to the recalcitrant tenants to pay their taxes had been given them by the Municipal tax department. The situation is complicated by the fact that some of the tenants within the compound of houses had already paid their taxes and they have been penalized together with those who had not paid. Some of these have threatened legal proceedings against the Council. Several motor cars caught within the barricades were later released. Occupants of the houses in question can gain access to the roads by going through other houses having back doors on Chinese-controlled territory. The landowners have even threatened to tear down a section of the block of houses so as to secure a passageway by a roundabout route. The Foreign Municipal Council has shut off sewage and sanitary facilities.

An extra squad of Foreign Municipality Police is being maintained in the neighborhood and the Chinese Police likewise have strengthened their forces, but remain on Chinese-controlled territory. So far no actual clashes have taken place.

A verbal protest was lodged immediately with the Shanghai Municipal Council against the placing of the barriers by O. K. Yui, Secretary-General of the City Government of Greater Shanghai. Mr. Yui in an interview expressed profound regret that this drastic measure should have been taken at a moment when both the Chinese and Settlement authorities had just signified their readiness to solve the dispute regarding the extra-Settlement roads.

"Although the Settlement authorities have promised to give the matter further consideration, the barriers placed on the passage leading to the extra-Settlement Roads have not yet been removed," Mr. Yui said. Assuring that the municipal authorities would continue their efforts in bringing about a satisfactory settlement of the situation, Mr. Yui urged all Chinese residents on extra-Settlement Roads to remain calm and not to resort to rash actions at the dictate of their emotions.

"Although there is absolutely no legal basis, for the S.M.C. to exercise the right of policing and collecting municipal rates on extra-Settlement Roads," he emphasized, "we must be aware of the fact that before the settlement of the outside roads issue, residents whose houses front or have access to the roads constructed by the S.M.C. and who have been enjoying the facilities, such as the sewage system, afforded by the Council authorities, should reciprocate by paying municipal rates." Mr. Yui incidentally urged that during the transitional period if residents on the extra-Settlement Roads refuse to pay taxes to the S.M.C., they should pay them to the City Government so that the latter may conduct negotiations with the Settlement authorities for a satisfactory readjustment of the payment.

Chinese Authorities Urged to Take Over Outside Roads

Commenting on the action of the Shanghai Municipal Council in barricading the Yu Ku Terrace, the Shanghai *Lih Pao* in an editorial wrote : "The actions of the S.M.C. in building roads outside of the Settlement limits, exercising police rights along those roads and collecting taxes, have no legal basis and are absolutely wrong. These actions were due to the activities of real estate merchants who, seeking personal gain, cooperated with the Settlement authorities in bringing about the extension. All disputes and legal cases in the extension road areas have been handled by the Chinese authorities and part of the policing duties have been taken over by the Chinese authorities. The residents in these areas have no legal obligation to pay taxes to the Settlement authorities. The Shanghai Municipal Council has no right to collect taxes. Even if it is true that the matter of taxes should be settled between the City Government of Greater Shanghai and the Shanghai Municipal Council, and that until such a settlement is reached the tenants should pay taxes to the Council, it is incorrect for the Council to blockade the entrances to the terrace when only a few tenants have not paid the taxes.

"Because of the Yu Ku Terrace case, the City Government of Greater Shanghai should take over the extension roads unconditionally, so as to give ample protection to the residents. The action of the Council in building roads outside of the Settlement limits constitutes an act of infringement on Chinese sovereign rights. No matter how much the S.M.C. has spent for the building of these roads, they should not receive any compensation therefor."

"China Press" Suggests S. M. C. and City Government Go Halves

In a front page editorial in *The China Press*, Mar. 13, Dr. Kuangson Young commented :—"We venture to suggest that both administrations commission their financial representatives to meet in conference and to arrive at a financial agreement, devoid of political considerations. As the territorial sovereign, the City Government must be charged with the actual collection of the rates from all houses on outside roads. In recognition of the physical amenities provided by the Municipal Council, fifty per cent of the rates collected could be paid by the City Government to the Council as a subsidy to its Public Works Department."

Stirling Fessenden, Secretary-General of the S.M.C., told local press representatives that as the matter of collecting taxes was one between the Council and the property owners there is no necessity for making any reply to the verbal protest of the City Government. He also considered the step taken by the Council as appropriate.

"Great Western" wrote to the *North China Daily News* Mar. 13 citing Land Regulation VI, under the authority of which the Shanghai Municipal Council built the roads leading out of the Settlement. This writer commented that the occupants within the "distressed area" of Tifeng Road do not reside within the Settlement, so the S.M.C. asks them to contribute to the road on which their houses are built—or refrain from using them.

BARRIERS REMOVED—S.M.C. AND CITY GOVERNMENT COME TO AGREEMENT

The barriers in Tifeng Road were removed Mar. 17, as the result of an agreement between Stirling Fessenden, Secretary General of the S.M.C., and O. K. Yu, Secretary of the City Government. The agreement provides that the tenants are to pay the assessed taxes, through the landlords. Negotiations are to be started between the City Government and the S.M.C. for a Settlement on one point of the "outside roads" problem, *i.e.*, tax revenue, and the money paid to the City Government by the Chinese disputants is to be disposed of in accordance with the terms to be agreed on between the Settlement and City Government authorities. In the event the negotiations break down, the money handed over to the City Government by the Chinese disputants, it was said, its to be paid to the S.M.C. as compensation.

An American Women Who Became a Chinese Citizen

Among the foreigners who during last year became Chinese citizens was Mary DeWitt Twinem, born in the United States, whose photograph is reproduced herewith. A complete statement of her reasons for changing her nationality was published in the *Chinese Christian Student* (New York), the principal ones among them being published in *The Review* Nov. 28 last. Mrs. Paul DeWitt Twinem was born in the United States and came to China in 1919 as Miss Mary Dorothy Fine, being stationed in Showchow in northern Anhwei. She left Showchow to marry the late Prof. Twinem of Nanking University, where she has remained ever since doing student Christian friendship work.

Mary DeWitt Twinem

Mrs. Twinem said her reasons for acquiring Chinese citizenship might be classified under three main headings : First, as a matter of Principle ; she believes in the closest upright identification possible with the people among whom one lives ; Second, as a matter of Preference, she desires the more spiritually inclined East to the more carnal, materialistically minded West, ; third as a matter of Protest, she repudiated foreign protection, extra-territorial and other special privileges ; very especially America's "deaf and dumb" attitude toward China during more recent years.

Women's Day Is Celebrated in Nanking and Shanghai

Madame Chiang Kai-shek, the wife of the President of the Executive Yuan, and Madame Feng Yu-hsiang, the wife of the Vice-Chairman of the Military Affairs Commission, were among those who addressed the joint meeting of women's organizations on the occasion of Women's Day in Nanking Mar. 8. Other speakers of the day included Mrs. Shao Yuan-chung, widow of the late Director of the Party History Compilation Committee, and Dr. Wu Yi-fang, President of Ginling College for Girls.

A number of reports on women's activities and future programs were read and discussed at the meeting, which was attended by representatives from more than ten women's organizations in the capital.

Shanghai Feminist Groups Celebrate Women's Day

Women's Day was celebrated by feminist groups in Shanghai Mar. 8 at a meeting convened by the Chinese Women's Middle at Hwa Tung Girls' Middle School at which Miss Lin Ko-tsung presided. Miss Lin explained that International Women's Day dates back to 1909 when the women in the United States first shouted the slogan of "emancipation for women."

The significance of the Women's Day was the theme of speeches given at various radio broadcasting stations by a group of Chinese women leaders including Madame Wu Te-chen, wife of the Greater Shanghai mayor ; Mrs. Tsai Yuan-pei, wife of the President of Academia Sinica, Miss Wang Hsiao-ying, member of the Legislative Yuan ; Misses Lu Lei-hwa and Shu Hui-chen.

"There is no freedom for the Chinese women at present, since all the Chinese people have been deprived of their freedom," declared Miss Ho Hsian-yin, member of the C.E.C. and wife of the late party leader, Liao Tsun-hai, in an interview in Shanghai Mar. 7 on the subject of "Women's Day."

Foreign Aggression Blamed for Prevention of Emancipation of Chinese Women

That foreign aggression rather than masculine supremacy prevents the way to the emanciaption of Chinese women was voiced by practically all the speakers at a meeting held in Nanking Mar. 8 in commemoration of the International Women's Day.

"Shanghai Day" to Be Celebrated Mar. 21

Plans for a large-scale celebration of "Shanghai Day" which falls on March 21 were discussed at a meeting held in Shanghai March 13 under the auspices of the City Government of Greater Shanghai. Attended by representatives of over 20 public organizations, the meeting was presided over by Li Ta-chao, sectional chief of the City Government, who announced that "Shanghai Day" would be made an annual event.

Marking of "Shanghai Day" which was proposed by Mayor Wu Te-chen, according to Mr. Li, aims at the revival of prosperity for China's metropolis. It will be the one day of the year on which people of all walks of life will be given a chance to forget their daily toil and gather together at various celebrations in a spirit of informality and gaiety.

Movements and Appointments in Diplomatic and Official Circles

D. Bogomolov, Soviet Ambassador to China, departed from Moscow on his return to China this week, and is due here at the end of the month.

General Huang Mu-sung, the Governor of Kwangtung, returned from Chunghua, the hot-spring resort, Mar. 15 and resumed his duties immediately.

Dr. Wu Lien-teh was appointed Director of the National Quarantine Service of the National Health Administration by Government mandate Mar. 10.

Hsu Shih-ying, Ambassador to Tokyo on furlough, conferred Mar. 13 with General Chiang Tso-pin, Minister of Interior and former Ambassador to Tokyo.

The resignation of Lou Kwang-lai from his post as Secretary-General of the Chekiang Provincial Government was accepted by the Executive Yuan Mar. 9. Yen Yao-fu was appointed his successor.

Chien Tsung-tse, Managing-Director of the Lung-Hai Railway, arrived in Nanking Mar. 11 from Chengchow by plane to report to Chang Kia-ngau, Minister of Railways, on the affairs of the Line.

Ku Meng-yu, former Minister of Railways, was a passenger last week on the s.s. *Conte Verde* en route to Venice where he will enjoy a vacation. No date has been fixed as to when he will return to China.

Pending the arrival of Guiliano Cora, the Italian Ambassador, Commander Adolf Alessandrini, Counsellor or the Italian Embassy, will serve as Charge d'Affaires. Signor Cora will leave Rome for Shanghai in the early part of May.

Dr. Wang Chung-hui, the new Minister of Foreign Affairs, received foreign diplomats at the Ministry in Nanking Mar. 11. The various ambassadors and ministers were received individually by Minister Wang, the interview with each lasting 20 minutes.

T. V. Soong, head of the National Economic Council and Governor of the Bank of China, and T. L. Soong, Commissioner of Finance for Kwangtung, arrived in Nanking Mar. 16 from Shanghai by air. The brothers called immediately on General Chiang Kai-shek.

The Ministry of Industry has appointed Chien Yung-ming, Assistant Gerenal Manager of the Joint Savings Society of the Yien-yieh, Kincheng, Continental and China & South Sea Banks, as Chairman of the Board of Directors of the Fishery Banking Syndicate, which was inaugurated Mar. 1.

J. Delvaux de Fenffe, Belgian Charge d'Affaires, returned to Shanghai Mar. 12 from Nanking, where he paid his first official call on Dr. Wang Chung-hui, new Minister of Foreign Affairs. It is understood that negotiations for the exchange of ambassadors between China and Belgium are still proceeding.

Sir John Brenan, British Consul-General in Shanghai, and Lady Brenan, were entertained at a farewell reception by Mayor and Madame Wu Te-chen at the latter's residence in Shanghai, Mar. 15. Sir John will depart for England with Lady Brenan on Mar. 21 to take up a post in the British Foreign Office.

Wang Ching-wei, Chairman of the Central Political Council, has been decorated with the First Class Order by the Swedish Government. This information was conveyed to Mr. Wang Mar. 14 by Baron Hugo Beck-Friis, Swedish Charge d'Affaires, who said that the medal would shortly arrive from Stockholm.

Having aroused the resentment of the populace of the Capital by his alleged "greed and unlawful actions," Ma Chao-chun, mayor of Nanking, tendered his resignation Mar. 14. It is understood that Mr. Ma will be succeeded by Lai Lien, a returned American student, who now occupies the post of secretary to the Nanking City Government.

Sir Hughe Montgomery Knatchbull-Hugessen, the British Ambassador, made a trip to Canton this week by way of Hankow and Changsha, traveling beyond Hankow over the recently opened Canton-Hankow Railway. While at Hankow Sir Hughe called on General Ho Cheng-chun. At Wuchang, Sir Hughe called on General Huang Shao-hsiung, Chairman of the Hupeh Provincial Government, and was entertained at luncheon by the Hupeh leader. Later Sir Hughe, accompanied by Dr. Wang Hsing-kung, visited Lochia Shan to inspect the National Wu-Han University, where he was entertained at a tea party. Returning to Hankow, he was the guest of honor at a dinner given by General Ho Cheng-chun.

Dr. H. H. Kung, Minister of Finance, is expected to depart for London on April 2 aboard the s.s. *Victoria* to attend the coronation ceremony of King George VI as China's official representative. Dr. Kung will be accompanied by Madame Kung and their daughter, and will be absent four months. During his absence, affairs in the Ministry of Finance will be attended to by Tsou Lin, the Political Vice-Minister. A petition was sent last week to Gen. Chiang Kai-shek by a group of local leaders headed by Yu Ya-ching urging that some other person than Dr. Kung be sent on the mission to London as it would be detrimental to the country to have the man at the helm of China's finances absent for any considerable period of time. Dr. J. Heng Liu, Director of the National Health Administration, Mar. 13 denied that he would accompany Dr. H. H. Kung to England.

Shao Li-tze Takes Office as Kuomintang Central Publicity Director

Shao Li-tse, former Chairman of the Shensi provincial government, assumed his new post as Director of the Central Publicity Department of the Central Kuomintang Headquarters Mar. 10.

Shao Li-tze made his first public utterance on Party's publicity policy Mar. 15, when he said no discrimination should be made between the Party and Government as far as publicity work is concerned, as they are essentially one inseparable entity. Mr. Shao stressed the need for co-ordination and co-operation between the Party and Government so that the nation's talents and money may not be wasted, for whatsoever political progress is achieved in China reflects on the success of the Party program. The Kuomintang's publicity policy, continued Mr. Shao, is to arouse the national consciousness of the people internally and to create a better understanding externally. He promised to carry out his duties in accordance with the consistent national policy.

A meeting of the Board of Director of the China Educational Film Association (under the Ministry of Education) was held in Nanking Mar. 15, at which Chang Tao-fan, Administrative Vice-Minister of Interior and member of the Board, presided. A number of new members was admitted into the Association, among them Shao Li-tzu, recently appointed Director of the Central Party Publicity Department.

Seven New Government Officials Formally Installed Into Office at Nanking

Seven new government appointees were formally installed into office at Nanking Mar. 15 when they were given official seals by Lin Sen, Chairman of the National Government, immediately after the weekly memorial service at the National Government. Chang Chi, C.S.C. member, administered the oath-taking ceremony on behalf of the Central Kuomintang Headquarters. The new officials sworn into office were: Dr. Wang Chung-hui, Minister of Foreign Affairs, General Yu Fei-peng, Minister of Communications, General Hsu Yung-chang, Officer-in-Charge of the Military Affairs Commission, Cheng Tien-ku, Political Vice-Minister of Industries, Liu Chi-wen, Political Vice-Minister of Audits, and Messrs. Wang Hsin-ling and Tsai Tze-shen, members of the Control Yuan.

Japanese Army Men Attend Opening of New Office in Shanghai

Drawn to Shanghai by the opening of the new offices of the military attache to the Japanese Embassy to China Mar. 10, a number of Japanese Army officers stationed in Nanking and North China departed the following day for their stations. Included among them were: Major-Gen. Hashimoto, Chief of Staff of the Japanese Garrison in North China and Major Takeo Imai, assistant military attache in Peiping.

Also assembled in Shanghai were several naval officers, who came here to greet Rear-Admiral Tadao Honda, the new naval attache to the Embassy. Of these, Captain Hisaharu Kubota and Commander Minoru Tajiri, respectively naval resident officers in Tientsin and Tsingtao, departed for their posts by air. Captain Saburo Nakahara, resident officer in Nanking, also returned to the Capital Mar. 11.

Lieut.-Gen. Hideki Tojo, who succeeded Lieut.-Gen. Seishiro Itagaki as chief of staff of the Japanese Kwantung Army on March 1, arrived in Tokyo Mar. 12 from Hsinking to report on conditions in Manchukuo.

A conference of Japanese military officials opened in Tientsin Mar. 16. General Hshimoto, who is reporting on the Shanghai conference, and the chiefs of Japanese military missions in Peiping, Shanhaikwan, Taiyuan, who are reporting on conditions in their respective areas, attended the conference. Leiutenant-General Kanichiro Tashiro, commander of the Japanese Garrison in North China, presided over the meeting.

Major-General, Seiichi Kita, military attache to the Japanese Embassy to China, after interviewing Gen. Chiang Kai-shek, departed from Nanking Mar. 16 by air for Chengchow. The Japanese officer will later proceed to Peiping and to Tientsin, returning to Shanghai by way of Tsinan and Tsingtao in about ten days.

Mr. Kawagoe, Japanese Ambassador to China, is due to leave Nanking for Tokyo on Mar. 20.

Manchukuo Chiefs of Staff Meet in Hsinking

A two-day conference of divisional chiefs of staff took place at Hsinking, Mar. 12 and 13 at which Gen. Yu Chi-shan, Minister of Defense, presided. Divisional commanders had their conference on Feb. 19-20, to discuss closer liaison between Army units.

Cordiality Marks China's Reception of Japanese Economic Mission; Nation Mourns Suiyuan War Dead

HIGH LIGHTS IN THE EVENTS OF THE WEEK:

1. **Japanese Economic Mission to China Gets Warm Welcome at Nanking.**
2. **Famous Confucius Saying Cited by Gen. Chiang As Advice to Nippon Business Leaders.**
3. **Rapprochement Must Be Beneficial to Both Sides, Says Wu to Japanese Visitors.**
4. **Kawagoe, Wang Chung-hui Mutually Pledge to Improve Sino-Japanese Relations.**
5. **Hirota's "Three-Point" Policy Unchanged Despite Sato's Apparent Plea for Equality.**
6. **China Mourns Suiyuan War Dead, Wang Ching-wei Officiates at Memorial Service.**
7. **Sixteen Prominent American Educators Urge Release of Salvation Leaders.**
8. **Unrest in Szechuan Brewing, High Officials Fly to Nanking to See Gen. Chiang.**

The Japanese Economic Mission to China comprising fourteen of Japan's leading bankers, industrialists and shippers arrived at Shanghai Mar. 14. The Mission was greeted by Tatsuo Kawai, Japanese Consul-General; Chou Tso-min, President of the Kingcheng Banking Corporation and Chairman of the Sino-Japanese Trade Association; Hsu Shih-ying, Chinese Ambassador to Tokyo and many others.

Kenji Kodama, head of the mission and former President of the Yokohama Specie Bank, declined to make a detailed statement on the aims and hopes of the group. He merely said, "We came here at the invitation of the Sino-Japanese Trade Association, and have no special mission to perform."

In addition to Mr. Kodama, the mission included: Noboru Ohtani, President of the Nippon Yusen Kaisha; Keizaburo Kato, President of the Bank of Chosen; Hyakutaro Miyakegawa, adviser to the Mitsubishi Trading Company; Seijiro Miyajima, President of the Nisshin Cotton Textile Company, and Reizuke Ishida, managing director of the Mitsui Bussan Kaisha. Other representatives of the Tokyo business world were: Shin Hori, President of the Nisshin Kisen Kaisha; Ikuki Akiyama, adviser to the Mitsubishi Goshi Kaisha; Aiichiro Fujiyama, President of the Nippon Sugar Company, and Kyoichi Aburatani, director of the Sino-Japanese Trade Association. Osaka is represented on the mission by Otokichi Shoji, President of the Tokyo Cotton Textile Company and Chairman of the Dai-Nippon Cotton Textile Association; Kensaku Ohira, managing director of the Sumitomo Bank, and Ichiji Iio, President of the Dong Shing Spinning and Weaving Company. Nagoya is represented on the mission by Risaburo Toyoda, President of the Toyoda Cotton Spinning and Weaving Company.

MISSION GIVEN WARM WELCOME AT NANKING, RECEIVED BY GENERAL CHIANG KAI-SHEK

Nanking extended a warm welcome to the Japanese Economic Mission, when it arrived in the morning of Mar. 15. Wu Ting-chang, Minister of Industry and leader of the Chinese mission to Japan in 1935, led the delegation of Chinese officials who met the visitors at the station. Shigeru Kawagoe, Japanese Ambassador, was also present. Shortly after arrival the group drove to the mauseleum of Dr. Sun Yat-sen, where they placed a wreath on the tomb of Dr. Sun. Later in the morning, the Mission paid courtesy calls on Lin Sen, president of the National Government; Gen. Chiang Kai-shek, president of the Executive Yuan; and other high government officials.

Ambassador Kawagoe was host at a luncheon in the mission's honor at the Metropolitan Hotel at noon. The main feature of the luncheon was an address of welcome by the Ambassador, who expressed the hope that the mission's visit would supply the needed opportunity for a general readjustment of Sino-Japanese relations. The mission, he added, should contribute in "harmonizing" the sentiments of the two nations, "a phenomenon essential to the readjustment of their relations."

RAPPROCHEMENT MUST BE BENIFICIAL TO BOTH PARTIES, SAYS WU

The object of rapprochement is to seek mutual benefits and not sole benifits and the way to do it is to shake hands and not wave fists at each other. If the Chinese and Japanese people have a clear perspective of the real meaning of rapprochement there is no reason why Sino-Japanese economic co-operation cannot be achieved. Thus said Wu Ting-chang, Minister of Industry, in welcoming the visiting Japanese Economic Mission at a dinner party given in the evening of Mar. 15. Mr. Wu said that it is only natural for China and Japan to effect an economic rapprochement and the only reason why this has not yet been achieved may be attributed to human failures, Mr. Wu added. He expressed the hope that both parties may take the present opportunity to frankly point out each other's faults so that a workable way may be found.

In the view of Mr. Kato, who responded on behalf of the mission, the reason why the present relations between China and Japan were strained, was probably due to the geographical propinquity and "too much understanding." China and Japan, he said, are both intimating western civilization. While worshipping the Occidental culture they lack the mutual respect for each other. Putting both countries in the role of husband and wife, Mr. Kato believed that whatever difference exist can be patched up if they are willing to show mutual consideration.

The hope that the visit of the Mission might lead to mutually beneficial results was expressed by Dr. Wang Chung-hui, Minister for Foreign Affairs, during a speech at a luncheon given Mar. 16. "The success of the Mission is not only of benefit to the economic relations between the two countries, but it might also mark the beginning of a new era in relations between China and Japan as a whole," Dr. Wang said. He added that "due to the psychological barriers created by unfortunate developments, the full possibilities of Sino-Japanese economic co-operation have not been realized, although such co-operation might be expected from two neighbouring countries whose populations are united by community in race and language. The removal of these barriers and their causes would be the first essential step towards the attainment of such aspirations."

CHINA DESIRES FRIENDLY HELP FROM JAPAN, SAYS GENERAL CHIANG

China desires friendly help and advice of Japan since the gigantic reconstruction movement which she is undertaking may be likened to the transformation of Japan during the Meiji era, Gen. Chiang Kai-shek, President of the Executive Yuan, declared at a tea reception he gave for the Japanese Economic Mission in the afternoon of Mar. 16. Expressing the belief that members of the Mission, being industrial and commercial leaders of Japan, will sympathize with the reconstruction efforts of China, since they have gone through the same stage during the great Meiji reform movement, the Generalissimo hoped that they will unreservedly criticize and point out the faults of the economic and other reconstruction projects which are being carried out in this country. "Chinese industrial circles," Gen. Chiang assured the Mission, "will unquestionably accept their advice and will follow their footsteps so that China's culture and economy may rise on the same plane with Japan's for stability of Oriental peace and welfare." Orientals, Gen. Chiang continued, should respect Oriental culture, and if Oriental nations do not have Oriental culture as their basis of work, they can never get along and co-exist with other nations. The characteristics of Oriental culture, according to the Generalissimo, are magnanimity and morals. Oriental countries emphasize politeness and righteousness. He reminisced that while he was studying in Japan, he admired the courteousness and amity of the Japanese people. Seeing that this is the secret of Japan's success, Gen. Chiang said, he later resolved to offer his life for the cause of the revolution with the hope of restoring China's ancient spirit and position and to glorify Oriental culture. Gen. Chiang recalled his stay in Japan in 1928 when he met the late Viscount Shibusawa, one of Japan's industrial magnates. Viscount Shibusaw apresented to Gen. Chiang a copy of a specially-edited "Analects." In presenting that copy of Chinese Classics to him, the Viscount made particular mention of one proverb: "Do not do unto others what you don't want others to do unto you." This, Gen. Chiang said, was considered by the Viscount as the characteristic of Oriental culture. At this juncture Gen. Chiang asked those present to stand up and observe a one-minute silence in honor of the late Viscount.

Responding Mr. Kodama, head of the Mission, expressed hearty enforsement of the sentiments as expressed by the Generalissimo. Although the members of the Mission do not dare compare themselves with the late Viscount, Mr. Kodama said, they will strive to work for more cordial relations between the two peoples in accordance with his ideal.

Following the establishment of the new department of economic construction, cooperation from Japan will be sought for the carrying out of China's economic plans, Chen Chieh, vice-minister of foreign affairs, declared in a press interview, in Nanking Mar. 11. With a view to removing the obstacles to such co-operation, Mr. Chen stated, (according to the *Shanghai Nippo*) the Nanking Government would shortly despatch a special envoy to Tokyo.

China's import tariff and customs procedure formed a major subject of discussion at the session at the conference of Japanese Chambers of Commerce and Industry in China, Japan and Dairen, held last week at the Japanese Club in Shanghai. The conference

last three days and was the first of the kind held in 14 years. Proposals were discussed by various groups aiming at securing subsidies for the development of Japanese commerce along the Yang sze and suggesting a reform in the present Japanese Exchange Control Law, which is alleged to throttle Chinese exports to Japan. Approved unanimously was a proposal to secure the passage of legislation in Japan for the subsidizing of Japanese exports to China and the creation of an exports guarantee system.

Pointing out that exports of North China cotton to Japan amount to $16,000,000 a year, the delegate of the Tientsin Japanese Chamber of Commerce and Industry suggested the improvement of Chinese cotton testing facilities. Declaring that the Yokohama Specie Bank and the Bank of Taiwan were reluctant to lend Japanese traders "even Yen 1,000," the respresentative from Hongkong stressed the necessity of the creation of an institution similar to the Hongkong & Shanghai Banking Corporation to promote Japanese interests in China.

Other decisions reached were: A proposal should be submitted to the Japanese Government urging the Chinese authorities to effect a reduction in Customs tariffs; also that an air route between Japan and China should be opened.

Commenting on the visit of the Japanese Economic Mission to China on Mar. 13 the *Shanghai Mainichi* said: "The Chinese authorities have entertained an attitude towards Japan, which is ostensibly soft but, in reality, strong. Due to their ignorance of the existing special circumstances in North China, they have been adamant in the breaking up of the *status quo* in North China as the prerequisite to the readjustment of Sino-Japanese relations, as a result of which there is, as yet, a wide gap between the views of both sides on the betterment of Sino-Japanese relations. Therefore, we have placed our hopes in this Mission for bringing close these divergent views of both China and Japan."

Commenting on the same question, the *Ta Kung Pao* says:—"In making their trip to China, the Japanese Economic Mission should give carefeul consideration to the following facts:

1. The Japanese must fully realize the spirit of the people of modern China, who are exerting their best to make their own country an independent nation. China at present pays more attention to her own affairs than her relations with foreign countries. She will not be made the tool of any nation to struggle against another country. While possessing a strong feeling of nationalism, the Chinese people entertain no hatred against any particular nation. Members of the Mission are requested to bear in mind that what China hopes for is Sino-Japanese relations on a basis of equality and mutual-respect, and that, if Japan fails to respect the integrity of the Chinese nation, it might be as well for her to drop all her firendly gestures.

"2. Members of the Mission must realize that peace and economic co-operation cannot be separated. Ever since the tension in North China two years ago, Japanese planes and Japanese special service organs were found everywhere in the North. Under such circumstances, it is difficult to talk anything of an economic co-operation. For this reason, we propose that all obstacles, hindering real economic co-operation between the two countries must be removed before the Japanese Delegation can achieve their aim."

EQUALITY AND MUTUAL RESPECT SHOULD UNDERLIE CO-OPERATION, YOUNG URGES

Stressing the point that co-operation, economic or otherwise, between China and Japan must be based on the principle of equality, mutual respect, co-existence and co-prosperity, Dr. C. Kuangson Young, Managing-Director of *The China Press*, commented Mar. 14 as follows:

"China desires co-operation with Japan, provided it is real and not nominal co-operation. For some years, the relations between these two countries have not been what they should be; and it is high time that these relations be readjusted on an equitable and friendly basis. We are very happy to hear the pronouncements of Japan's new Foreign Minister, Mr. Sato. For if future Japanese policy will be based on Mr. Sato's declarations, it is felt that the day is not far away when these two major Asiatic Powers will regain a normal relationship that is so necessary for the happiness and prosperity of both. China is always ready to respond to friendliness with friendliness, frankness with frankness. Appreciating the change of policy that is now being attempted at Tokyo, Chinese leaders have not lagged behind in their earnest efforts to bring about an atmosphere in which friendly discussions on economic co-operation between the financial and industrial leaders of the two countries may be had.

"The fundamental principle of economic co-operation between the two countries must be based on equality, mutual respect, co-existence and co-prosperity. From this principle the Chinese Government and people will not, and cannot, depart. We are not unaware of the declarations of Japan's statesmen and financial leaders during recent months which give recognition to this principle. It is fervently hoped that such verbal recognition will soon find expression in concrete action. The coming of the Mission, we hope, will be the first unofficial link of the chain that is to bring about real and definite Sino-Japanese economic co-operation, which eventually will lead, in turn, to mutual political understanding. We desire to wish the Mission success in this task for upon it rests a great deal of responsibility for future relations, political and economic, between the two countries . . . . . .

"Smuggling, drugging, and spying—that three-headed snake that has been wiggling its way even across the Yellow River. A halt must be called to this poisonous policy, or there can be no economic cooperation. . . . We are convinced of the sincerity of those Japanese leaders who are now exerting all the efforts at their disposal to effect a reversal of Japan's previous policy. Therefore, we wish to assure them that China will meet, as she has always met in the past, Japan more than half way. In this spirit of harmony, we hope that this Economic Mission from Japan will be the first link of a chain of co-operating activities that is yet to be forged and wish it success.

"We desire co-operation with Japan. We want economic co-operation with a country which is our closest neighbor. We cannot, however, it must be remembered, accept co-operation on unilateral terms. As an indication of sincerity, the Chinese people, it may be predicted, would not be unwilling to treat Manchuria as a 'suspense account.' But under no circumstances, this 'suspense account' should be increased. Rather, it should be gradually liquidated. Working towards that ultimate liquidation, the multifarious illegitimate activities of the Japanese subjects and their lackeys in North China must be stopped, and stopped at once. To evade responsibility by the Japanese authorities is an indication of insincerity. For the consensus of opinion, foreign or Chinese, is that it is absolutely within their power to stop those activities—activities that have created the East Hopei Farce, the Smuggling Fraternity, the Narcotic Invasion, and the so-called special but in reality espionage organizations. The Chinese are not unaware of the conditions that have prevailed in Japan for the last ten years. And they full realize that three months, or even three years, cannot possibly transform that militaristic, aggressive, continental outlook held by so many Japanese expansionists and deliberately imposed upon their people. All that the Chinese people dare to hope for is a right beginning in the right direction. No doubt, many of us are placing the coming of the Economic Mission as an indication of the change of heart as well as the change of policy."

KITA INTERVIEWS GEN. CHIANG, VISIT SAID MERE COURTESY CALL

Major-Gen. Seiichi Kita, military attache to the Japanese Embassy to China, conferred for one hour with Gen. Chiang Kai-shek at the latter's official residence in the Central Military Academy compound in Nanking March 15. Col. Sanji Okido, who recently arrived in Nanking to take up his duties as resident military officer, accompanied Major-Gen. Kita. Kao Tsung-wu, director of the Asiatic Affairs Bureau of the Ministry of Foreign Affairs, acted as intepreter. Emerging from his conversations with the Chinese leader, Major-Gen. Kita emphatically denied that the meeting had "any political significance whatsoever." "This is the first time I have seen Gen. Chiang since May," Major-Gen. Kita said. "I found him in good health and very cheerful."

The main purpose of the interview, the Japanese officer said, was to introduce Col. Okido to the Generalissimo. "I also conveyed my felicitations over Gen. Chiang's safe escape from Sian," he added. Leaving Nanking by airplane Mar. 16, the Japanese military attache will visit Chengchow, Kaifeng in Honan; and Peiping on his way to Tientsin, where he will confer with Lieut.-Gen. Kanichiro Tashiro, commander of the Japanese garrison in North China.

KAWAGOE, WANG MUTUALLY PLEDGE TO IMPROVE SINO-JAPANESE RELATIONS

Efforts to improve Sino-Japanese relations were mutually pledged by S. Kawagoe, Japanese Ambassador to China, and Wang Chung-hui, the new Chinese Foreign Minister, when the former called on the latter on Mar. 10 at the Waichiaopu. Mr. Kawagoe paid the visit to Dr. Wang to congratulate him on the assumption of his new post.

"If China puts forward unrealistic demands, such as, for example, the abandonment by Japan of the latter's North China policy, the friendly gestures made by Dr. Wang Chung-hui, and Mr. Sato, will remain friendly gestures and nothing more." This statement was made Mar. 9 by a spokesman of the Gaimusho in commenting on the principles outlined by Dr. Wang in a press interview at Nanking as the *sine qua non* of any satisfactory readjustment of Sino-Japanese relations, according to a *Shanghai Nichi Nichi* report from Tokyo.

NANKING TO SEND ENVOYS TO TOKYO FOR EXTRALITY NEGOTIATIONS

In pursuance of resolutions passed by the Third Plenary Session of the C.E.C. of the Kuomintang, the National Government is preparing to send Chu Cheng, President of the Judicial Yuan, and Wu Ting-chang, Minister of Industry, to Tokyo to open negotiations for the abolition of Japan's extrality rights in China and for the revision of the old treaties between China and Japan, according to a report in *Shanghai Nichi-Nichi* Mar. 10.

Hsu Shih-ying, Chinese Ambassador to Japan, called on General Chiang Kai-shek, Mar. 15 and tendered his resignation. General Chiang, it is understood, urged him to reconsider the matter, suggesting that he should remain in China for a short rest before returning to Tokyo.

HIROTA'S "THREE-POINT" POLICY UNCHANGED DESPITE SATO'S APPARENT PLEA FOR EQUALITY

Despite previous indications of an important change, the new Minister for Foreign Affairs, Naotake Sato, has revealed beyond question that his China policy does not differ materially from that of his predecessors, according to a *Reuter* report from Tokyo Mar. 12. In a speech in the Lower House Mar. 11, Mr. Sato:

1. Endorsed the "three basic principles" towards China enunciated by Koki Hirota when Minister for Foreign Affairs.
2. Declared that Japan had no intention of taking up Manchukuo, which he described as a *fait accompli*, as an issue between Japan and China, even if fresh negotiations were to start between the two countries.
3. Pledged adherence to the Open Door policy in Central and South China, which, by implication, suggests that Japan has no intention of abandoning her idea of special interests in North China.

Mr. Sato denied there was any discrepancy of views among the Premier, Gen. S. Hayashi; the Minister of War, Gen. Gen Sugiyama, and himself, on Japan's China policy. He saw no necessity of revising Japan's fundamental policy towards China and only wanted to review the methods for pursuing that policy. He intended having a free and frank exchange of views with the Chinese Government on China's contentions and let China know Japan's minimum demands from which there could be no retreat. "Japan unexcepted, every country in the world now faces strained international relations which can be overcome. A true crisis, namely, war, depends on Japan's mental attitude. I firmly believe that a crisis in this sense can be avoided or courted at any moment by Japan, as she wishes." At a joint conference Mar. 12, the Premier, the Foreign Minister, and Ministers of War and the Navy, decided there was no difference of views between Gen. Hayashi and Mr. Sato.

Japan's foreign policy is "nothing to be ashamed of in public," Foreign Minister Sato declared in the House of Representatives Mar. 11. "It goes without saying that our policy is to respect the independence of China and Mongolia," the Foreign Minister said in reply to a series of pointed interpellations.

"Our relations with China" Mr. Sato continued, "have reached such a point that my very ordinary assertion that we should deal with China on a basis of equality caused an extraordinary shock. "I do not believe that we should show hesitancy in pressing our minimum demands so long as our attitude towards China is just," he said. "Third states will have no reason of being suspicious under such circumstances, and I believe that China will feel the same."

CHINESE PRESS URGES DEMONSTRATION OF NEW POLICY BY DEEDS, NOT WORDS

The speech of Naotake Sato, the new Japanese Foreign Minister, which he made in the House of Peers on Mar. 8 when he called for equality in Sino-Japanese dealings, continued to evoke editorial comments in the Chinese press in Shanghai, which unanimously declared that his outspoken statement was unprecedented in the history of Japan's diplomacy with this country.

The *Shun Pao* opined that the change to be made by Mr. Sato in Japan's China policy, as suggested in his speech, will lie in the methods of approach rather than in fixed policy. This change in the methods of conducting diplomatic negotiations with China may settle the various problems between the two countries, but the aim of Japan will remain the same.

The *Ta Kung Pao* leader on the subject enumerated three points, from the standpoint of the Chinese public, for the consideration of the Japanese authorities. Firstly, Sino-Japanese rapprochement should form the basis of peace in the Far East. Should there be no tension in the relations between the two countries, it said, there would be a slim chance for friction between Japan and Soviet Russia, Great Britain and the United States. Secondly, in order to fundamentally remove the unfriendly feelings between Japan and China, Nippon should liquidate the situation in the Northeastern Provinces on her own initiative and with resolution. For, it opined, the conflicts between China and Japan have arisen from the "Northeastern" question. Thirdly, in order to solve the fundamental problems between the two countries, the paper said, Japan should take upon herself the task of removing all illegal affairs in China, especially those existing in Hopei and Chahar.

The *Min Pao* declared that diplomacy should be conducted on the basis of the give-and-take principle. The interests of both parties should be given equal consideration. If one party takes into account of his own interests only and neglect those of the other party, the *Min Pao* opined, no success can be attained in diplomacy, not to mention the seizure of the interest by force. The paper expressed the hope that Mr. Sato would further demonstrate the spirit of equality in his dealings with China, and furthermore, put this spirit into practice.

The promise to deal with China on a footing of equality made by Japan's new Foreign Minister. Naotake Sato, during his momentous speech before the House of Peers, is branded as "simple hypocrisy" by the Moscow semi-official organ *Izvestia*. "The essential point of Sino-Japanese relations resides in the fact that Japan wishes not only to keep a large part of Chinese territory, conquered by her bandit-fashion, but also to behave as a master throughout the rest of China. Mr. Sato says Japan's policy will follow a new course. This will have to be proved by acts."

SUNG CHEH-YUAN GIVES VIEWS ON SINO-JAPANESE ISSUES

An emphatic clarification of his duties in relation to Sino-Japanese issues in North China was made by Gen. Sung Cheh-yuan, Chairman of the Hopei-Chahar Political Council, in an interview with a representative of the *Central News Agency* Mar. 10. "It is my sacred duty," Gen. Sung stated, "to take orders from the Central Government. I have been doing that in the past and shall continue to do so in future." Gen. Sung admitted that while at Tientsin he had several interviews with Lieut.-Gen. Tashiro, Commandant of the Japanese Garrison in North China, but all such meetings, he added, were purely social in nature. Denying that Sino-Japanese political issues were discussed in Tientsin, Gen. Sung said: "It is beyond my power to discuss such problems, as they should be handled by the diplomatic authorities of the Central Government." Continuing Gen. Sung averred that he knew nothing besides working for the welfare of the people in the territory under his care, strictly in accordance with the instructions of the Central authorities. With regard to the proposed Sino-Japanese economic co-operation in North China, Gen. Sung stated that it was his firm conviction that such co-operation could only be carried out on the basis of absolute reciprocity, equality, co-existence and co-prosperity. Although views have been exchanged with the Japanese authorities regarding the exploitation of the Lungyen iron mine and the construction of the Tsangchow-Shihchiachwang Railway, Gen. Sung explained, nothing definite has yet been worked out. Gen. Sung denied current reports that the construction of the projected Tsangchow-Shihchiachwang Railway will be started shortly. Gen. Sung also revealed that the intention of the Japanese military authorities to construct barracks at Fengtai will likely be abandoned on account of strong opposition from the local populace.

CHINA MOURNS SUIYUAN WAR DEAD, WANG OFFICIATES AT MEMORIAL SERVICE

National and Party colors were half-masted throughout the country on Mar. 15 in mourning of the soldiers and civilians, who gave their lives during the Suiyuan defence last year, in accordance with an order issued by the National Government.

Led by Wang Ching-wei, Chairman of the Central Political Council and General Yen Hsi-shan, Pacification Commissioner for Shansi and Suiyuan, more than 20,000 people attended the memorial service at Kweihua Mar. 15 for soldiers and civilians who gave their lives in defence of Suiyuan last year. With the sacrificial altar erected at the foot of the Ta Ching Mountain an air of sole-

Wang Ching-wei

Gen. Yen Hsi-shan

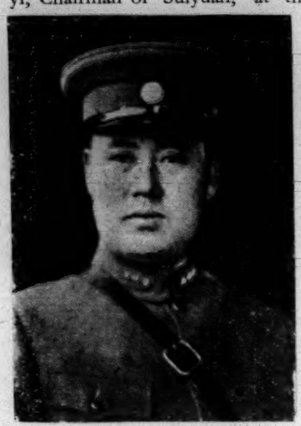
mnity marked the occasion. Portraits of some of the martyrs were hung on the walls and the place was placarded with more than 10,000 mourning scrolls. The ceremony was started with the firing of 32 guns. Mr. Wang, who represented the Central Executive Committee of Kuomintang on the occasion, arrived at Taiyuan from Nanking by air Mar. 13. After spending one and half a days in Taiyuan, he flew to Kwehua on the morning of Mar. 15, accompanied by General Yen Hsi-shan.

Suiyuan people are evidencing great enthusiasm over the visit there of Wang Ching-wei and Gen. Yen Hsi-shan. As a token of respect the local populace held a mass demonstration at the Public Auditorium Mar. 16 to welcome Mr. Wang and Gen. Yen. Togetner with Gen. Yen, Mr. Wang received the salute at the large scale military review of Suiyuan troops held in the morning. Mr. Wang received high Suiyuan military and administrative officials in the afternoon Mar. 15 and later received high officials of the Suiyuan Mongolian Political Council. At a press interview Mr. Wang declared that though bandit-suppression and resistance against foreign aggression outwardly seemed to be two separate issues, they were in essence one and the same thing, both aiming at the similar object of national preservation. Mr. Wang will attend the plenary session of the Suiyuan Mongolian Political Council on Mar. 17, following which he will return to Nanking.

China must immediately launch a nation-wide productive reconstruction movement in order that she may achieve self-preservation internally and co-existence externally, Mr. Wang pointed out in a speech at Taiyuan Mar. 14. For, according to Mr. Wang, internal stability and resistance against foreign aggression are essentially one thing. "For instance," he said, "internally it is the duty of the soliders to receive rigid training and discipline, but externally it is their duty to fight foreign foes."

GEN. FU TSO-YI PAYS TRIBUTE TO FALLEN HEROES IN STIRRING SPEECH

"Your blood, spilt for the successful defense of Suiyuan, has filled the hearts of the 400 million Chinese and inspired their confidence in China's rejuvenation by her own efforts." These words constituted the gist of a mourning message read by Gen. Fu Tso-yi, Chairman of Suiyuan, at the memorial service Mar. 15. "As long as we have one breath in our lives," Gen. Fu assured the dead, "we shall not fail to follow your example in the task of national preservation." Despite the enemies' airplanes, artillery and gas which had stopped their breathing and shattered their bodies to pieces, Gen. Fu further said, they had scored a memorable victory in China's history. The success of the Suiyuan defense, in the opinion of Gen. Fu, signified three things, namely, (1) that Chinese soldiers had fulfilled their duties as defenders of the land, (2) that the territorial integrity of Suiyuan had been preserved, and (3) that it had revived China's self-confidence. "This memorial service today," Gen. Fu's message continued, "represents not only the respect of the living fellow-fighters for the glorious dead but also that of the highest government leaders of the nation and of the entire people." Gen. Fu said that he felt no sorrow in his heart for the dead, who had died a glorious death, because not many human beings would have the chance to die for a worthy cause as the Suiyuan soldiers had died. In conclusion the Suiyuan chairman stated that though the dead had not built the foundation of success in the task if national salvation by their deeds alone, but they had led the Chinese people to the right road toward national preservation. "Along this path which has been shown by your footsteps," Gen. Fu stated, "we, one and all, will march unceasingly onward."



Gen. Fu Tso-yi

GENERAL CHIANG RETURNS TO NANKING, MAY ASK FOR TWO MONTHS' LEAVE

Concluding his brief vacation at Kuling, Gen. Chiang Kai-shek, President of the Executive Yuan, returned to Nanking aboard the Gunboat *Yungsui* Mar. 14. He was accompanied by Madame Chiang. Fully refreshed from the rest he had in Kuling,, Gen. Chiang appeared to be in the best of health.

As a result of his doctor's advice for further rest, *Central News* reports that the Generalissimo may ask the National Government to grant him one or two months' leave.

GEN. CHANG CHUN TO SMOOTH OUT SZECHWAN DIFFICULTIES

Shanghai Mainichi reported Mar. 13 that Gen. Chang Chun, ex-Minister of Foreign Affairs, will shortly be despatched by the Central Government to Szechwan province, where he will attempt to smooth out the difficulties which have arisen between the Szechwan provincial authorities and Nanking.

Indicative of the unrest among disgruntled warlords and tense relations reported to be existing between the Central Government forces stationed in Szechwan and the Szechwan provincial troops, three high officials are proceeding to Nanking to confer with General Chiang Kai-shek on measures to prevent possible disturbances in the civil war torn western province, said a *Shanghai Evening Post* report. They are Teng Han-hsiang, chief secretary of the Szechwan provincial government and a close associated of General Liu Hsiang, the "strong man" of Szechwan; Lu Tso-fu, commissioner of Reconstruction Department; and General Ho Kuo-kwan, chief of staff of the Chungking provisional headquarters of the Military Affairs Commission. At the same time, the Szechwan forces began two-week "maneuvers" on Mar. 16.

Evasive answers were given by Liu Lu-yin, who is now being held in Hankow in connection with the assassination of General Yang Yung-tai, the former Chairman of Hupeh, at the formal hearing by the Wuchang District Court Mar. 14. To facilitate the trial, suspects charged with complicity in the crime will be transferred from the prison to the detention house where Mr. Liu is kept in custody.

KWANGSI LOYAL TO NANKING, CHAIRMAN HUANG ASSURES

An assurance that, rumors to the contrary notwithstanding Kwansi is peaceably inclined towards the Central Government was given by Huang Hsu-chu, Chairman of the Kwangsi Provincial Government, in an interview with *Reuter* while passing through Canton on his way back to Kweilin from Nanking after attending the plenary session of the Central Executive Committee. "The province is devoting itself to reconstruction," he declared. Mr. Huang said that both General Li Tsung-jen and General Pai Chung-hsi would soon formally assume their posts as Commander-in-Chief, and Vice-Commander-in-Chief, respectively, of the Fifth (Kwangsi) Route Army in accordance with Nanking's wishes. This means that the Kwangsi troops will be reorganised according to the Central Government system, and that the Fourth Group Army, which has existed for the past six or seven years as a military unit opposed to Nanking, will be abolished as such. Kwangsi is at present receiving regular remittances from Nanking for military expenses. Financial aid for economic development also appears to have been arranged.

The Kwangtung Pacification Commissioner Headquarters has ordered a ban on the export of copper coins from the province, to be effective immediately. Persons found smuggling the coins out of the provincial boundary will be executed.

PROMINENT AMERICAN EDUCATORS URGE RELEASE OF SALVATION LEADERS

Sixteen prominent figures in American educational and literary circles have just sent a telegram to the National Government expressing their concern over the arrest and detention of the seven leaders of the All-China National Salvation Association, according to a report in the *Shanghai Evening Post* Mar. 16. Identifying themselves as friends of China, the 16 who signed the telegram included Dr. John Dewey, Dr. Paul Monroe, Professor Albert Einstein, Dr. William H. Kilpatrick; Maxwell S. Stewart, associate editor of the Nation; Norman Thomas, Socialist leader; and others. The seven arrested persons who are now in their third month of detention at Soochow are all prominent in China. They are Tsou Tao-fen, editor and writer; Chang Nai-chi, banker and economist; Wong Tsao-shih, lawyer; Shen Chung-ju, lawyer; Li Kung-po, writer and educator; and Sa Chien-li, lawyer; Miss Sze Liang, lawyer.

TRANSFER OF NORTHEASTERN TROOPS TO BE COMPLETED BEFORE END OF MARCH

The units of the North-eastern (Chang Hsueh-liang) troops stationed in Shensi will complete their transfer to new garrison posts before the 26th inst.; those in Kansu will reach their new garrison areas by the end of the month. The posts vacated in Shensi and Kansu have been filled by Central Government troops and Shensi and Kansu units despatched by order of General Ku Chu-tung, Director of the Sian Provisional Headquarters of the President of the Military Affairs Commission.

The Hupan Rock at Lishan, near Lintung city, 17 miles from Sian, the Shensi Provincial capital,—where General Chiang Kai-shek, President of the Military Affairs Commission, sought temporary refuge on Dec. 12 last upon the outbreak of the Sian revolt,—will become a historic spot for posterity. At the suggestion of several leaders of the Central Government, an inscription will be cut on the rock and a pavilion erected close by in memory of the eventful day. It is understood that the inscription will be written, among others, by Tai Chi-tao, President of the Examination Yuan, and Lieut.-General Wei Li-huang, Commander-in-Chief of the 2nd Route Army. The latter was one of the Government officials taken captive by the rebels.

Total material damage done to the Lunghai Railway as a result of the Sian mutiny last year was put at $11,000,000 by Chien Tsung-tseh, Managing-Director of the line, in an interview. Damage, he revealed, was done to more than 10 li of the railway track, two steel bridges spanning the Chihsui, two locomotives and 10 coaches, and the number of employees killed and injured during the revolt totalled 46.

An important victory, culminating in the killing of a "Red" army commander and liquidation of three bandit regiments, is reported in a message from Lieut.-General Ma Yuan-hai, Commander of the Chinghai troops in the Hosi Area, north-western Kansu, according to a *Kuo Min* telegram from Hsining.

General Yu Hsueh-chung, Commander of the Northeastern Army, in company with General Yang Hu-cheng, Commander of the 17th Route Army, will come to Nanking shortly for a meeting with General Chiang Kai-shek, reported *Sin Wan Pao* Mar. 14.

WANG CHUNG-HUI, YU FEI-PENG AND FIVE OTHER OFFICIALS SWORN IN OFFICE

Seven new government appointees were formally installed in office Mar. 15 when they were given official seals by Lin Sen, Chairman of the National Government, immediately after the weekly memorial service at the National Government. The new officials sworn in included Dr. Wang Chung-hui, Minister of Foreign Affairs, General Yu Fei-peng, Minister of Communications, General Hsu Yung-chang, Officer-in-Charge of the Military Affairs Commission, Cheng Tien-ku, Political Vice-Minister of Industries, Liu Chi-wen, Political Vice-Minister of Audits, and Wang Hsin-ling and Tsai Tse-shen, members of the Control Yuan.

Foreign Minister Sato Raises Storm by Saying, "It Rests With Japan Whether or Not the Present Crisis Will Become a War"

Domei Mar. 12 stated that a political storm in a tea-cup was caused the previous day by Foreign Minister Naotake Sato's declaration in the Diet that " it rests with Japan whether or not the present crisis will become a war."

Mr. Sato in his speech said the Japanese Government respects the independence of China and Mongolia, and in this regard Japan's policy is "open and above-board." It must be admitted, he said, that the Sino-Japanese situation is deadlocked, but if China refuses to accept Japan's minimum desires there is no course left for Japan but to await a change in China's attitude.

He declared that the Japanese-German anti-Comintern agreement was designed to check the activities of the Comintern, which are aimed at world revolution. He said he did not believe the accord would spoil Japan's friendly relations with others, although he admitted the existence of misunderstandings abroad. Mr. Sato asserted that there is no danger that Japan would be involved in a European war through the anti-Comintern pact.

Mr. Sato strongly denied the contenion that Japan is at a crossroads of war or peace and in conclusion admitted the "vital necessity" of harmonizing the nation's diplomacy, finances and defense.

Mr. Sato's speech was not well received. Interpellations were made by Yusuke Tsurumi, Minseito, and Hitoshi Ashida, Seiyukai.

Referring to the rearmament programs of European countries, Mr. Tsurumi asked what attitude the Government would take towards "the worst eventuality in Europe." He denounced economic nationalism and urged the Government to break the system of international economic blocs, and demanded an explanation of the origin and circumstances attending the conclusion of the anti-Comintern pact. He asked the Government to clarify the Soviet-Japanese situation and to take definite measures to effect rapprochement with Great Britain.

Mr. Ashida emphasized the necessity of unifying Japan's foreign policy in China. The Governmeat's new policy towards China, he said, should start by "showing the limits of Japan's continental policy. The spirit of the Japanese nation does not endorse any action calculated to create an impression abroad that Japan harbors any designs for territorial aggression. The major trouble of Japan is the lack of definite information and enlightenment as to whether the nation is going towards peace or war."

The Tokyo *Asahi* said Foreign Minister Sato's replies in the Upper House clarifying Japan's "fresh start for Sino-Japanese negotiations on a basis of reciprocity and equality" caused international repercussions.

Japanese Army Is Attacked for "Dual Policy"

Japan's "dual policy" in China was severely criticized in the House of Peers by Giichi Matsumura, of the Kosei Cluh. Mr. Matsnmura devoted a major part of his interpellation Mar. 18 to a denunciation of the numerous statements and declarations on Tokyo's China policy issued by Japanese officers in China. The speaker urged the military authorities to put an end to this practice, "in great vogue during the preceding administration."

Foreign Minister Sato Says Japan Is Prepared to Discuss Naval Limitation

Japan is ready to participate in a conference for the limitation of naval armaments provided she is confident that such a meeting will meet with success, Naotake Sato, Foreign Minister, told the budgetary committee of the House of Peers, Mar. 12. Replying to an interpellation by Viscount Kiko Okohchi, Mr. Sato declared that Japan adhered to the principle of non-menace and non-aggression.

Japanese political circles were in uproar, while industrial shares boomed on the stock exchanges of the nation, as the result of a strong plea for international peace and justice made by Foreign Minister Sato in the House of Representatives Mar. 11.

Sato Abandons Lower House Address Plans

Naotake Sato, Foreign Minister, Mar. 13 cancelled his earlier plans to address the House of Pepresentatives on the subuect of his much-discussed diplomatic policies. His decision followed a meeting of the Lower House steering committee which agreed that an address by Mr. Sato at this time would only obstruct the proceedings.

Foreign Minister Sato Is an Adopted Son—Has Had Much Experience

The *Tokyo Asahi* Mar. 4 in a short biography of Mr. Sato stated that he is 55 years age. He was born in Okinawa prefecture and is the adopted son of the late Narumaro Sato, veteran diplomat. In 1904 he graduated from the Tokyo Higher Commercial School. Passing the diplomatic service examination, he was first sent to Mexico as a diplomat probationer. After the Russo-Japanese War he was dispatched to Moscow and later made consul-general at Harbin. Then he was made counsellor of the Japanese Embassy in Paris, Minister to Poland, Ambassador to Belgium and finally Ambassador to Paris in November, 1933.

During the interval he was Japanese delegate to the general disarmament conference of the League of Nations at Geneva, Japanese representative to the League Council in the Manchurian Incident and delegate to the League Assembly in February, 1932.

Japanese Financiers Want Budget Slashes, and Lower Taxes

Slashes in governmental expenses, save those for defense; lower taxes and fundamental reforms in the taxation system were asked in a resolution drafted Mar. 9 by the directors of the powerful Economic Federation of Japan.

Japanese Post Offices to Sell Deficit Bonds

The Tokyo Treasury plans to sell "red ink" bonds in Japan's post offices along with postage stamps. Hitherto, Japan's budgetary deficits have been covered by borrowing from huge banks and trusts, which preferred to invest their idle funds in State bonds instead of in industry. Treasury officials now emphasize their desire to popularize bond issues, by spreading them among the largest possible number of holders.

Japanese Authority on Archaeology Sails for South America

Dr. Ryuzo Torii, an authority on archaeology and ethnology, departed from Kobe Mar. 13 for Brazil. He will lecture at Rio de Janeiro on Japan's ancient culture at the invitation of the Brazilian-Japanese Cultural Society. He will later visit Argentina, Chile and Peru, where he will engage in archeaological research.

Diet Dissolution Demanded Over Health Insurance Debate

Incensed by the vociferous opposition of their bourgeois colleague to the Government's national health insurance bill, representatives of the Leftist Social Masses Party on the night of Mar. 9 demanded the dissolution of the Diet.

Tokyo Government Moves to Establish Huge Hydrogenation Company

Pushing its program aiming at making Japan independent of outside oil supplies, the Government Mar. 11 introduced in the House of Representatives a bill authorizing the creation of the Imperial Fuel Company, a firm devoted to the hydrogenation of coal, capitalized at Yen 100,000,000. The proposed company will supply 1,000,000 liters of gasoline a year by extracting oil from coal.

Japanese to Mine Silver and Gold on Amur

A group of Japanese promoters Mar. 14 revealed their plans to form a Yen 5,000,000 concern to mine gold and silver along the Amur River. Prospecting parties, they claimed, have discovered rich deposits in 16 locations along the river.

Japanese Treasury Wants to Buy More Gold

A bill permitting the Bank of Japan to purchase annually Yen 400,000,000 worth of gold, instead of the present maximum of Yen 200,000,000, will be submitted by the Treasury to the present session of the Diet, a *Domei* message of Mar. 11 stated.

Japanese Viscount Conducts Concert with Philadelphia Symphony Orchestra

Viscount Hidemaro Konoye, whose elder brother, Prince Funimaro Konoye, heads the Japanese House of Peers, recently had the honor of being the first Japanese to conduct a major American concert, with the Philadelphia Symphony Orchestra. He was extremely well received.

Tokyo Objects to Yoshiwara Film Being Prepared by French Company

Objecting to the filming of a moving picture dealing with life in Yoshiwara, Japan's red-light district, the Tokyo Foreign Office this week asked a French film concern to stop producing a motion picture based on one of Maurice Dekobra's novels. The picture was to be released in May by the Luxe Motion Picture Company of Paris, with Sessu Hayakawa, a one-time American matinee idol, and Miss Michiko Tanaka, a singer married to an Austrian millionaire, in the starring roles. The the two Japanese players are being asking to "reconsider" their action. If the French concern pays no need to the Japanese objections, the film will be banned in Japan, Gaimusho officials said.

Craigie to Deal with "All Questions," Says Tokyo

Inasmuch as Sir Robert L. Craigie, newly appointed British envoy to Japan, will come as "an Ambassador, not a special delegate to a naval conference," he will deal with "all questions" that should arise between the two countries, a spokesman for the Foreign Office stated in Tokyo Mar. 15. He made this statement in reply to a question by foreign correspondents as to whether or not Sir Robert would take up naval discussions with the Japanese Government. The new envoy is widely known as an expert on naval disarmament.

Vice Admiral Sugisaka Put on Waiting List

Vice-Admiral Teijiro Sugisaka, who took a leading part in the Shanghai "war" of 1932 and later served as Commander of the Special Landing Party here and Commander of the Eleventh Squadron on the Yangtsze, was placed on the waiting list Mar. 15, together with five other vice-admirals and rear-admirals.

Negotiations Continue for Abolition of Perpetual Land Leases

The *Tokyo Nichi Nichi* Mar. 9 stated that negotiations are now in smooth progress between Japan and the United States for abolition of the perpetual leases, which constitute the last remnant of extraterritoriality. Preparations are now being made to conduct negotiations for similar purposes with France, Italy, Belgium, Soviet Russia, Switzerland, Denmark, China, and Portugal.

U. S. Congressman Urges Steps to Prevent Japanese Fishery Advance on Alaska

The Japanese newspapers Mar. 10 contained an item that a Congressman in the U. S. House of Representatives had urged that the Japanese fishery advance on Alaska should be prevented; that although legally Japanese could operate in non-territorial waters, America should have an understanding with Canada or institute a boycott of Japanese goods in order to protect the American fishery industry.

N. Y. K. Strike Ends With Mutual Expressions of Regret

The "patriotic" strike which for a time threatened to tie up some of the vessels of the N.Y.K. Line was ended in Tokyo, Mar. 15 with mutual expressions of regret on the part of the management and strikers. It is understood that all the organizers of the strike have been reinstated as employes. A ceremony was held at Meiji Shrine to celebrate the termination of the controversy.

Forty-one Suffocated in Coal Mine Disaster in Japan

Forty-one miners were suffocated to death while making an attempt to extinguish a fire in a gold-mine in Mochikoshi, in Shizuoka prefecture, Japan, Mar. 15. The fire started early in the morning at a point 4,200 feet from the mouth of the pit. The pit was closed to check spread of the flames, but when a change in the direction of the wind occurred it was opened, and 50 miners entered to fight the fire—all except of nine of whom succumbed.

Leftist M.P. Attacks Plan to Reorganize Bank of Japan

Plans to reorganize the Bank of Japan were described in the Lower House Mar. 16 by a Leftist parliamentarian as "an attempt to transform the nation's bank into an industrialists' bank."

Japanese Trade in Orient Shows Favorable Balance

Totalling Yen 110,777,000, Japan's trade with China, Manchukuo, the Kwantung Leased Territory and Hongkong, during February resulted in a Yen 14,505,000 favorable balance. Exports, reaching Yen 62,341,000, showed an increase of 25.1 percent, and imports, amounting to Yen 48,136,000, recorded a gain of 29 3 percent, as compared to 1936, Ministry of Finance staticians announced in Tokyo Mar. 12.

Creation of Foreign Trade Institute Recommended

Directors of the Tokyo Chamber of Commerce and Industry Mar. 10 decided to ask the Government to establish a foreign trade institute, to develop Japan's foreign trade.

Italian East Africa to Get Japanese Goods Again

A Rome dispatch in the Tokyo *Asahi*, March 4 stated that much progress has been made in the trade negotiations between Japan and Italy regarding East Africa. The proposed accord is expected to take the form of an exchange of notes between the two countries effecting extension of the present Italo-Japanese Commercial Treaty in application to East Africa and other Italian colonial territories.

When the pact is thus revised, Japan's export of goods to East Africa will be restored in accordance with the fundamental principle of most favored nation treatment and the system of barter on the basis of the 1934 figures.

Japanese Delegate Sails for Textile Conference in Washington

Keinosuke Zen, the employers' delegate to the International Textile Conference, opening in Washington on April 2, departed from Yokohama for San Francisco Mar. 11. He will later proceed to Geneva, where he will represent employers at the International Labor Conference, scheduled for June.

Japanese Firms to Operate 3,000,000 Spindles in China Three Years Hence

According to Japanese circles, there are nine Japanese cotton mills in Shanghai, 10 in Tsingtao, four in Tientsin and one in Hankow. It is expected that these mills will be expanded and will be operating a total of 3,000,000 spindles three years from now.

Shanghai Banks to Aid Cotton Mill Expansion

In view of the growing Japanese competition, various Chinese banks in Shanghai have agreed to invest more money to expand the Chinese cotton mills. Although no definite plan has yet been worked out, it is learned by the *Central China Daily News* that the Sung Sing cotton mills and the Wing On cotton mills will increase the number of their spindles when the arrangements have been concluded.

Japan Sugar Producers Unwilling to Go to London

Officials of the Federation of Sugar Manufacturers revealed Mar. 16 that they would decline to take part in the International Sugar Conference, to be convened in London on April 12, if formally approached by the Foreign Office.

Japan Anxious to Reopen Pourparlers for Trade Negotiations with India

With the current Indo-Japanese trade negotiations facing a deadlock, the Tokyo Foreign Office Mar. 12 instructed the Japanese delegates to re-open the pourparlers. The negotiations have remained at a standstill since the last meeting, on Feb. 27. It will thus be impossible to bring the pourparlers to a successful conclusion by March 31, when the protocol attached to the present commercial agreement expires. The agreement itself expires on April 20, and all efforts will be made, according to Tokyo officials, to reach a new accord before that date.

The deadlock has been caused by India's refusal to accede to the proposal to import annually 358,000,000 sq. yds. of Nippon-made cotton textiles, in addition to 42,000,000 sq. yds. destined for Burma.

Yuki Admits Japanese Banks in China Inadequate—Cites H. & S. Bank as Model

Admitting that Japanese banks were at present incapable of fostering national interests abroad, Toyotaro Yuki, Finance Minister, Mar. 10 told the House of Peers that he would consult with the authorities concerned to bring about an improvement. He referred to the facilities of the Hongkong and Shanghai Banking Corporation which he suggested as a model for Japanese institutions devoted to furthering Japan's economic interests in China.

H. E. Arnhold, Present Council Head, Not Candidate for Re-Election

The name of H. E. Arnhold, the present Chairman of the Shanghai Municipal Council, does not appear among the list of candidates put forward for the election of Councillors to be held April 5-6. The only person put forward by the British Community as a candidate at the forthcoming elections who is a member of the present Council is Harold Porter, formerly of the British Consular service in China. The other British candidates are: R. G. MacDonald of Dodwell & Co., V. St. John Killery of Imperial Chemical Industries (China); William S. King of Harrisons, King & Irwin, Ltd., and Frederck N. Matthews, chartered accountant. These were selected by a "straw vote" from among nine candidates.

The usual set-up for Councillors is five British, two American and two Japanese. If only nine candidates are named there will be no necessity for an election.

The two Japanese candidates originally selected—Takeo Yamamoto, manager of the N.Y.K. office at Shanghai, and Takue Urabe, manager in Shanghai for the Mitsui Bussan Kaisha—withdrew their candidacy as the result of criticisms levelled at them. The Japanese Residents' Corporation is now scurrying around to secure new candidates. Toshi Go, acting-general manager of the Manchuria Railway Company, and Shigeharu Matsumoto, manager of the local office of the *Domei News Agency*, are prominently mentioned in this connection.

U. S. Court Order Provides for Partial Payment of A. O. F. C. Claims

Judge Milton J. Helmick in the U.S. Court for China Mar. 15 entered an order approving a petition filed by Dr. George Sellett, liquidator of the American-Oriental Finance Corporation, Fed. Inc., U.S.A. (in liquidation) whereby the total claims against the Corporation amounting to about $3,850,000, are divided into two classes "A" and "B" respectively. The Courts order says that any creditor objecting to the class or amount in which such creditor's claim is placed, may, within 20 days next following the date upon which the liquidator has mailed notice to such creditor, file an objection together with a motion for hearing and determination of the same. It is further ordered that if no objection is filed by any creditor within the aforesaid period of 20 days the liquidator shall thereupon pay to the creditors whose claims have been allowed as Class "A" claims the full amount allowed upon such claims after deducting eight per cent as claimant's share of the liquidation costs and expenses, and pay to the creditors whose claims have been allowed as Class "B" claims a first dividend of twenty per cent of the amounts in which such claims have been allowed.

The claims placed in Class "A" total approximately $139,000, United States currency, and are for the value of securities which were wrongfully under pledge by the American Oriental Finance Corporation at the time it suspended business on May 24, 1935.

Present indications are that payments will be available on April 10. The liquidator has $1,350,000 Chinese currency available for distribution.

Kleber, Former Commander of Chinese Reds, Now at Head of Column in Spain

The *Japan Chronicle*, a British paper published at Kobe, recently printed an article by their Madrid correspondent on the subject of members of the International Column, a fighting group of all nationalities aiding the Spanish Government against the Insurgents. Among the men whose careers were outlined is that of Emil Kleber, an Austrian and a Communist who commands the Column.

Of principal interest in this part of the world is that, in sketching Kleber's life, the writer of the article claims Kleber was in command of the Chinese Red Army at the time when Chiang Kai-shek drove them from their stronghold in Kiangsi, and that he continued to command them during their retreat into Szechuan.

Emil Kleber, according to the writer of the article in rhe *Japan Chronicle*, has had a long career in revolutionary activities. Born in Austria, he was drafted during the World War, was captured by the Russians and escaped, making his way to Canada. Later he joined the expeditionary force in Siberia as a means of getting back to Russia after the Revolution. He deserted to the Reds and helped to fashion the Far Eastern Republic. Years of obscure struggle in Europe and America were followed by the China episode. His work in organizing and directing the retreat of the Chinese Reds completed, he returned to Canada, and a year ago when the Spanish civil war broke out, he offered his services to the government. At the present time Kleber is only 41.

U. S. Federal Farm-Hospital for Narcotic Addicts to Be Established in Texas

Time magazine for February 15 reported that a new Federal farm-hospital for narcotic addicts is being established at Fort Worth, Texas. The institution, which will cost U.S.$4,000,000, will be similar to the successful narcotic farm at Lexington, Ky., except that whereas that at Lexington is designed for Federal prisoners who are addicts, the new establishment will be primarily for voluntary patients, who must sign an agreement to remain in the hospital until cured.

The cure developed by Dr. Lawrence Kolb at Lexington will also be used at Fort Worth. By this method the patient is suddenly and completely deprived of drugs. He becomes irritable and restless; he cannot sleep. In some instances he may collapse. However, most of the "abstinence phenomena" disappear in three days. As they wane the patient gets sedative drugs (not opiates), soothing baths and electric lamp treatments. When he has recovered sufficiently he is discharged from the infirmary to work and play on the institution's farm.

Prominent American Educators Express Concern Over Detention of N. S. A. Leaders

A group of prominent American educators and writers have sent a telegram to the National Government, expressing their concern over the arrest of the seven leaders of the All-China National Salvation Association. The 16 men include: Professor Albert Einstein, Dr. John Dewey, Dr. Paul Monroe, Norman Thomas, Socialist leader, Dr. William H. Kilpatrick, Maxwell Stewart, assistant editor of the *Nation*, Professor John B. Watson, psychologist, and Paul U. Kellog, editor of the *Survey Graphic*.

Meanwhile, the seven National Salvation Association leaders, including Miss Sze Liang, the woman lawyer, are in their third month of detention in the detention house of the Kiangsu High Court in Soochow.

Good Progress Made in Factory Law Enforcement

Good progress is being made in the enforcement of the factory law throughout the country, according to a recent survey conducted by the Central Factory Inspection Bureau. Most of the factories inspected, according to a spokesman of the Bureau, fully understand the importance of labor legislation and are ready to install safety devices to insure the lives of the workers. Many of them have requested the Bureau to give them technical assistance in fire and flood prevention. Regulations concerning the protection of woman and child labor are being strictly observed in most of the factories inspected, although a few still report the employment of child and female workers for heavy work.

Japanese Aviator Killed by Mob in North Chahar

A Japanese aviator was set opun and killed by a Chinese mob in Huateh, North Chahar, on the night of Mar. 14 after he had made an unprovoked assault upon a Chinese osldier. According to eye-witnesses, the aviator started to beat up a man named Wang Chen-hua, a soldier under the command of Gen. Li Shou-hsin. Onlookers pleaded with him to desist, but to no avail. The crowd which had gathered then sided with the soldier and in the ensuing melee the aviator was beaten to death.

The *Ta Kung Pao* Mar. 15 stated that the Japanese Special Service Department in Huateh has been reopened.

Spaniard, Cited as Defendant in District Court, Fails to Appear

A civil action brought by A. K. Michaer a Greek, against J. A. Valles, a Spanish citizen, was set for hearing in the First Special District Court, Shanghai, Mar. 8. When the hour for the hearing arrived, the plaintiff, his counsel, the judge, and all the court officials were there, but Mr. Valles was an absentee. The hearing, after a short discussion, was postponed to March 18.

Ngai Tchen-ling, of the law office of Paul Premet, appeared as plaintiff's counsel, and told the Court that his client had brought the action against Mr. Valles in accordance with the recent edict of the Ministry of Justice to the various courts, the Chinese Government having decided to assume full jurisdiction, for the time being at least, over all Spanish citizens.

A number of cases involving Spaniards are now pending in the Chinese Courts.

Twelfth Anniversary of Death of Dr. Sun Yat-sen Celebrated in Shanghai

In commemoration of the 12th anniversary of the death of Dr. Sun Yat-sen on Mar. 12, two meetings were held in Shanghai, one under the auspices of the Nantao Kuomintang Headquarters and presided over by Pan Kung-chan, Commissioner of the Bureau of Social Affairs, and the other at the Shanghai City Government, presided over by Mayor Wu Te-chen.

In his speech Mr. Pan dealt at length with the question of how far Dr. Sun's will had been carried out. He declared that the Government had made good progress in opening schools, in giving military training and in promoting the New Life Movement. He strongly denounced unity with the Communists and expressed doubts of the sincerity of the U.S.S.R., citing the establishment of Outer Mongolia as an independent country, the existence of a Soviet Government in China and the disposal of the Chinese Eastern Railway without consulting the Chinese.

Mayor Wu in his speech at the City Government emphasized the economic reconstruction movement started by Chiang Kai-shek as being in keeping with Dr. Sun's Principle of Livelihood.

Arbor Day Observed Throughout China Mar. 12

Arbor Day was observed throughout China Mar. 12 along with the commemoration of the 12th anniversary of the death of Dr. Sun Yat-sen, father of the Chinese Republic.

In Nanking, an impressive tree-planting ceremony was held at 2 o'clock in the afternoon at the School for Sons of Revolutionaries at the Mausoleum Park. Presiding over the ceremony Wu Ting-chang, Minister of Industries, reported on the progress in afforestation work in the vicinity of Nanking. He announced that barren hills and deserted land in the neighborhood of the capital would be converted into wood-land within two years.

Seizure of Smuggled Copper Made Aboard Japanese Steamer

Whereas about a year ago it was silver that was being smuggled in large quantities to Japan, it is now copper that is attracting the smugglers, owing to considerable advances in price recently of the red metal. At the time of the silver smuggling epidemic the Japanese consular police displayed obstructive tactics and refused to cooperate with the Maritime Customs, adopting the attitude that no one but a Japanese police official could lay hands on a Japanese subject. The Japanese consular police have in the meantime considerably changed their policy and are cooperating with the Customs authorities against the copper smugglers. A Japanese passenger with copper coins to a value of $130 was discovered aboard the s.s. *Nagasaki Maru* just before she was to sail from Shanghai Mar. 13. The Customs seized the copper and the culprit was handed over to the Japanese police. This was one of several seizures of copper made by the Customs during the past fortnight.

Canton Places Embargo on Copper Coins

The Kwangtung Pacification Commissioner Headquarters Mar. 15 ordered a ban on the export of copper coins from the province, to be effective immediately. Persons found smuggling the coins out of the provincial boundary are threatened with execution.

Formosa Will Forbid the Chinese to Study Their Own Language

Beginning from April Formosa will forbid Chinese residents there to study their own language, according to a report from Foochow appearing in *China Times* Mar. 16.

Japanese Militarists Plotting to Stop Kuomintang-Communist "Remarriage"

BY C. Y. W MENG 孟長珠

THE leaders of the Central Executive Committee of the Chinese Communist Party, arch enemy of the Kuomintang since the Wuhan split and the subsequent Party purification campaign, (1927-1928) have signified their readiness to accept the four fundamental principles set down by the Third Plenary Session of the Central Executive Committee of the Kuomintang for the "extermination of communism" in China. Overtures for the drafting of concrete measures for the execution of the four principles are reported to have been going on since the Kuomintang C.E.C. Meeting on February 21. These four principles are:

1.—Abolition of the Red Army and its incorporation into the united command under the Nanking authorities;
2.—Unification of government power in the hands of the Central Government and the dissolution of the so-called Chinese Soviet Republic and other organizations detrimental to government unity;
3.—Cessation of communist propaganda; and
4.—Stoppage of the class struggle.

It is also reported that the temporary retirement of Chu Teh and Mao Tse-tung, outstanding communist leaders, will take place on the condition that they go abroad and return to China only when their services are required in event of a war against foreign aggression, and the complete reorganization of the Red Army under direct control of the Military Affairs Commission in Nanking, are to be some of the basic concrete measures discussed in Northern Shensi to carry out the Kuomintang-Communist reconciliation under the four principles.

Patriotic Chinese as well as China's well-wishers and more internationally-minded people in the world are only too anxious to hear such news, and they are hoping that it will not be long before reconciliation between the Kuomintang and the communists will be realized, thus bringing to an end the so-called Anti-Communist-Bandit Campaign which has plunged China into civil and sanguinary warfare for nearly ten years.

But unfortunately, such opinion is not shared by Japanese militarists. They are not only opposing the "re-marriage" between the Kuomintang and the communist party by various plots, but the same issue is likely to be one of the immediate causes which may lead China and Japan to have no other alternative than to go to war.

Japanese Activities During Sian Revolt

As we remember, the Sian Revolt was first reported in Tientsin on December 13 which was Sunday. An emergency meeting was held in Tientsin by all Japanese high military officials in North China to discuss the situation. One of the decisions was "to expedite realization of the 'Special Position' of the Provinces north of the Yellow River, based on 'general principles' for readjustment of Sino-Japanese relations founded on joint efforts to prevent communism in North China and Japan." On December 13, the chief-of-staff of the Japanese Kwantung Army, carrying this "decision," called on a high Hopei-Chahar authority in Peiping. Although on the surface it was a "call" to exchange information on the situation, it had, in fact, the purpose of taking advantage of the situation and of bringing strong pressure to bear upon the Chinese Peiping authority to force him to sever North China from the Central Government. On December 15, the chief-of-staff of the Japanese Garrison in North China also followed suit, and called on the Hopei-Chahar authority. But unlike his predecessor, this Japanese military official was very straightforward in telling the Chinese authority plainly that the Japanese militarists "hoped" that the Chinese authority "would use the 5-color flag," in order to realize the "5-Northern Province Democratic Government," and to show "sincerity" in co-operation, on or before Dec. 20, adding that should there be any difficulties, the Japanese would be ready to assist; but, at the same time, reminding that should the Chinese authority refuse to do so, "please allow other people to do it instead!" On Dec. 16, the chairman of the Hopei-Chahar Political Council (Gen. Sung Chih-yuan) received the press in Peiping. During his report, he told his of "determination" to prevent the spread of communism to North-China. Although it was in the form of an ordinary press interview, the underlying motive was to make known his attitude on communism to the Japanese militarists. Beginning from Dec. 16, the chairman did not receive any callers, on the ground that he was "sick."

Realizing that the preliminary step to form the "5-Northern Province Democratic Government to prevent communism" was to extend the organization of the East Hopei Government, another urgent meeting was called by Japanese militarists on Dec. 21 in Tientsin when Yin Ju-keng, head of the bogus administration—the so-called Eastern Hopei government, was also summoned. As a consequence, on Dec. 22, a mysterious circular telegram was issued (by Yin Ju-keng) in which the overthrow of the present administration in Peiping and the establishment of a democratic government, and the use of 5-color flag, etc., were strongly urged. On Dec. 23, the Japanese chief-of-staff returned with Yin Ju-keng to Tungchow ("capital" of the East Hopei government) "to make further necessary preparations." In the meantime, the chief-of-staff of the Japanese garrison in the North China again called on General Sung, and insisted on an interview with him, which was granted. In the conference, the Japanese military official was reported to have demanded General Sung's "attitude" on the situation, producing, at the same time, "plans" which were worked out by the Japanese Kwantung Army to extend the organization of the East Hopei Government. For this reason, a joint telegram was issued on December 23, by General Sung and General Han Fu-chu, Chairman of Shantung. But again, it was a great disappointment to Japanese militarists; the telegram received no response from any guarter. And it was well known that General Sung was in a very difficult position, and that the joint telegram dated Dec. 23 was issued only as a means to ease the situation for a while.

That nothing further had developed during the later part of December was due to three reasons: First: General Chiang Ting-wen's air trip to Nanking bringing an autographed letter from General Chiang Kai-shek, revealed that the Generalissimo was safe in Sian, so the Japanese militarists had to change their plans. Second: it was due to conflict of policies between the Japanese Kwantung Army and the Japanese Garrison in North China, with the former strongly favoring "quick action before General Chiang's release," while the latter preferred "waiting for a chance." Last, the safe return of the Generalissimo to the Capital on Christmas Day interrupted all the Japanese militarists' plans. Although what was stated above is in the past, it nevertheless shows that the consistent Japanese demand for a "Sino-Japanese Anti-Red Front"—one of Hirota's three points—has now clashed with Chinese policy, and that it will surely play a great part in the future Sino-Japanese relations.

Japanese Attempt to Extend East Hopei Government

In this connection, it is of great interest and importance to note Japanese plans to extend the organization of East Hopei to prevent communism in North China. To be brief, according the plans worked out by the Japanese Kwantung Army and Japanese Garrison, there are four steps:

First: The present Eastern Hopei Government should be re-organized to prepare itself for a "democratic and Anti-Red Government" which, according to the plans, would be formed "within three weeks." Yin Yu-keng would be chairman of the newly planned government, under which there would be eight Bureaus, namely, Civil Affairs, Finance, Education, Industry, Reconstruction, Peace Preservation, Foreign Affairs, and Judicial Administration; with two more Departments, Civil Affairs and Military Affairs. There is to be another "small Manchukuo" in North China!

Second: The Pao-An-Tui (Peace Preservation Corps) of the East Hopei Government should be strengthened by recalling the troops under Wang Yin (now invading Suiyuan) which is self-styled as Tai Han Yi Chuan (Greater China Volunteers' Corps) and stationing them on the border between East Hopei and Hopei-Chahar districts to protect the Eastern Hopei Government.

Third: More bogus and puppet organs of the same nature as the East Hopei Government, and more organizations of Chinese traitors would be organized and distributed thorughout the Provinces of Shantung, Shansi, Honan, Anhwei, etc., changing from, "an individual organization to a collective organization," from "collective organization to a unified organization," and to realize the "special position of North China as one organization to prevent communism." (Recent raids on the "Special Service Bureau" in Chengchow in Honan, revealed subversive activities toward establishing an independent movement in northern Honan, together with raids in other places in Shantung indicate that such a report is not altogether groundless—Ed.)

Fourth: More of the retired military officials of the Chinese armies, such as Cheng Kuo-sui 程國瑞, Wang Fu-chen 王庚臣, Yang Ing-chi 楊榮齋, Chao Wen-chuan 趙文俊, etc., would be employed to organize "terrorist groups," and their principal activities were to interrupt communications the Tientsin-Pukow Railway and Peiping-Hankow Railway, so that once communications were interrupted, the Japanese could dispatch their troops to Hopei and Chahar to take "joint measures to prevent communism" on the ground that "the Red Army had already invaded Hopei-Chahar." In the event of a Chinese refusal, the Japanese, according to the same despatch, would order the East Hopei Government to force the Hopei-Chahar authority to do so, while at the same time, Japanese troops would invade the interior of Chahar, so as to effect a junction with northern Honan secessionists.

The East Hopei Government would finance all these activities. The "terrorist groups" would be divided into three groups, namely, Tientsin-Yangliaoching Section (天津至楊柳青段), Yangliaoching-Tehchow Section 楊柳青至德州段) along the Tientsin-Pukow Railway, and Chensingtang-Shihkaichuang Section (長辛店至石家莊段) along the Peiping-Hankow Railway. For every kilometer of railway track wrecked, "$5,000 would be awarded," according to the report.

The Japanese Attempt to Stop the "Wedding"

General Sung went to Tientsin a couple of weeks ago where he had conferences with Japanese militarists. While Chinese negotiators centered their discussion on the abolition of the East Hopei Government and other minor issues, the Japanese concentrated their attention on the "consolidation of political authority in North China to prevent communism," plus, of course, a general discussion of many plans concerning economic development.

According to the latest report, the Japanese again demanded that the Hopei-Chahar authority should maintain peace in Eastern Asia; realizing the "doctrine of Sino-Japanese joint measures to prevent communism;" and making North China a center to prevent communism, etc. Japanese militarists were further quoted as saying that they had evidence of the "re-marriage" between Kuomintang and the communist party, and China's resistance against the Japanese agrgession, but adding that "as soon as all evidence is collected, they would resort to both diplomatic and military steps to oppose such Chinese actions at all cost, even leading China and Japan to a big war."

But in meantime, the Japanese plotters are busy creating another "favorable situation" for their actions. On Feb. 2 and Feb. 12, some mysterious "communist activities" were discovered by the Chinese authorities in Tientsin. Seven arrests were made. According to their affidavits, they were simply employed by retired Chinese military officials who were, in turn, were employed by a "foreign national" under a pseudonym to do the job. According to their affidavits, about 500 or 600 men were employed and scattered along the Peiping-Hankow Railway, Tientsin-Pukow Railway and Peiping-Suiyuan Railway. One on hand, their activities were to print communist hand-bills, slogans, manifestoes, badges, etc., for distribution purposes; and on the other hand, they were to wreck communications by mining or throwing explosives, so as to create disturbances to tell the public of the "Red Terror." When this happens the Japanese would automatically demand joint defence measures to prevent communism.

According the affidavits, it was also revealed that dawn and midnight of Chinese New Year Day (Feb. 11) were scheduled for disturbances, when motor cars would be used for distribution of communist handbills and for throwing explosives; and after that, the disturbers would at once rush to the "foreign concession of a certain country" in Tientsin for protection. The affidavits further revealed that "such was one of the ways the Japanese militarists will realize the special position of the northern provinces, failing which, force would be resorted to!"

The "wooing" between the Kuomintang and the communist party and "wedding" is expected shortly. But apparently, it is the intention of the Japanese militarists to stop the wedding, and to take steps to mar such an auspicious occasion!

Dangerous Situation Ahead

With such a picture of the situation in mind, we could easily conclude that the abolition of the East Hopei Government, which was one of the proposals before the C.E.C. Plenary Session, is quite remote. Not only this, the promoters and sponsors of this puppet organization are taking steps to extend the organisation to further their subversive activities.

Secondly, Japanese plots to create a special position in North China to prevent communism will not be stopped by the Sian settlement. On the contrary, the settlement, which is quite unexpected and undesirable to the Japanese, has only intensified their activities, and is likely to aggravate the situation. Keen observers from the North tell us that the situation is pregnant with every possibility of danger.

Thirdly, while the Japanese militarists in China are plotting to stop the "wedding" between the Kuomintang and the communist party, Japanese officials and diplomats in Japan are doing their best to separate China and Soviet Russia. So Washington political quarters were quite right in interpreting the Sino-Japanese relations to mean that "Mr. Sato's policy is to consolidate the German-Japanese entente through elimination of war danger with China . . . Thus, they say, China's neutrality would be secured in the event of a conflict between Japan and the U.S.S.R. . . . This neutrality now seems to be the common object of German and Japanese diplomacies . . . Hence, Sato's desire to offer China a new amity pact at the very moment when she is engaged in strengthing her national union for the purpose of resisting the Japanese menace."

Such is the trend of developments. The "re-marriage" between the Kuomintang and the communist party, which is 100% a Chinese domestic problem, and which has absolutely nothing to do with the Japanese, has now been utilized by the Japanese. The aggressor is likely to make and enlarge this issue to further many aggressive and subversive "designs" in China!

But we hope very strongly that China will remain calm and firm before the storm. The Nanking leaders should stick to their decided policy. We should allow nobody to separate us from friendly powers; and we should permit nobody to interfere with our domestic affairs or influence our domestic policy. China is an independent country. She acts according to her own will!

Nanking, March 10, 1937.

Madame Chiang Studied at Wesleyan, But Graduated from Wellesley

The following letter referring to Madame Chiang Kai-shek's student days in the United States appeared in the issue of Time Magazine for Feb. 15:—

Many Georgia women cannot understand frequent references to Madame Chiang Kai-shek as a Wellesley alumna when they remember her as a student at Wesleyan College, Macon, Ga. Here are the facts:

Madame Chiang, as Mei-ling Soong, graduated from Wellesley College at Wellesley, Mass., in 1917, as you state in your issue of Jan. 25. She came to Macon, Ga., however, as a little girl of 10 with her sisters, (Madame H. H. Kung, Soong Eling, graduated at Wesleyan in 1909; Madame Sun Yat-sen, Soong Ching-ling, in 1913.)

Too young to enter college, Mei-ling was allowed to make her home in the college dormitory. Her name appears in the matriculation book with her sisters' names in 1908: "Mei-ling Soong, Shanghai, China, aged 10." She was privately tutored by a member of the faculty, Miss Margie Burks. During the next four years she spent most of her time under the tutelage of Miss Burks. One year she was at school at Demorest, Ga., in a junior college. In 1912-13 she was regularly enrolled as a freshman at Wesleyan College, and successfully completed the work of this class.

The following year, both older sisters having returned to China, Mei-ling went to Wellesley. One of her brothers was studying at Harvard at the time, and the family wished her to be nearer him.

Of her nine years as a student in America, five were spent in Georgia, most of this time at Wesleyan College, though only one as a regular college student.

EUNICE THOMSON,
Alumnae Editor.

Wesleyan College, Macon, Ga.

Additional Details Concerning the Murder of Miss Pamela Werner

The *Japan Chronicle* of Feb. 6 in reporting the inquest on Miss Pamela Werner, at Peiping, said that information received in Kobe was to the effect that the deceased was an adopted daughter. Some years ago her adopted mother died as the result of an overdose of veronal, leaving her the sum of $20,000. Miss Werner was reported to be "not of a placid nature" and spent only one month in the French School in Peiping. Refused admittance to the American School there, she entered the Methodist School and proved that she was a good scholar by winning a scholarship. A Russian lady, called upon to help identify the body, called the attention of the police to the fact that $450 platinum and diamond wrist-watch was still ticking on her wrist. A foreigner, said to have been a Canadian called Penfold who is alleged to have a criminal record in Chicago was suspected. He was unable to explain bloodstains on his shoes, handkerchief and dagger sheath, it is reported, but the police released him because of a lack of evidence.

A Russian who is alleged to have been arrested on behalf of his jealous wife proved an alibi and said that blood on his clothes had come about as the result of a fight with an American soldier. Miss Werner's face and body was so disfigured that the crime is thought to have been the deed of a degenerate. A foreigner was murdered some years ago at almost the same spot where the body was found and that crime is still unsolved.

New Press Ruling Promulgated by Nanking Publicity Department

According to a ruling handed down by the Central Publicity Department on Mar. 12, publishers or editors of newspapers and magazines, which have been suppressed by provincial authorities for printing erroneous statements or for jeopardizing local peace and order, may apply again for permission to publish other dailies or periodicals. The only restriction on the right to start new publications, the ruling pointed out, is contained in Article 10 of the Press Law, which stipulates that persons who have no addresses in China, who are of restricted ability, who have served in prison or detention terms of more than one month, and who have not yet recovered their deprived civil rights are not allowed to become publishers or editors of newspapers or magazines.

Is the End of China's Red Trail in Sight?

BY C. Y. HSIEH (謝志耘)

RECONCILIATION between the Kuomintang and the Chinese Communist Party, which formed one of the most weighty problems discussed at the 3rd Plenary Session of the 5th C.E.C. held last month in Nanking, has moved from the stage of exploratory overtures to that of active negotiations. Holding the political limelight recently were the pourparlers going on in Sian between Chang Chung, a member of the C.E.C., and Chow En-lai, head of the Political Training Department of the Chinese Soviets. While the results of their talks have not been divulged, it is significant to note that some news correspondence has even gone so far as to hint at the probable retirement of the two Red leaders Chu Teh and Mao Cheh-tung from active political life. It appears, unless appearances completely belie the real situation, that a sincere effort has been made by both sides to break the deadlock of ten years' standing.

Be this as it may, the negotiations will prove anything but plain sailing and will likely tax the utmost of tact and patience before they can terminate in a modus vivendi acceptable to both parties. Those who have followed the fortunes of Chinese Reds from their ascendency in Kiangsi, through their defeat and epic odyssey in southwest, west and northwest China, to their present set up in northern Shensi do not see any material weakening of their forces. True, their numerical strength has been to some extent reduced. But the rank and file, if anything, have been steeled by the many hardships and privations encountered during their forced marches and those who could survive the ordeal are certainly entitled to be called fit. Then there is the concentration of the best political brains and military talents of the Reds as contrasted with their scattered position before the retreat from central China. Possessed of military power and entrenched in the fastnesses of Shensi—which are even more impregnable than southern Kiangsi—it stands to reason that the Communists are strategically in no hurry to come to terms.

But military strategy alone apparently can not settle the question one way or the other. There is the political reality to face, and that is the unshakable consolidation of the National Government at Nanking under the leadership of General Chiang Kai-shek. That Government today is by no means the much harassed and embarrassed regime it was, say, in 1932, still less the unproven and unknown quantity in 1927 following the Kuomintang-Communist split. Strong as their theoretical position may be, and their appeal to a considerable section of Chinese public opinion, the Red leaders cannot fail to realize that they are fighting a lost cause. On their part it is perhaps just as well to admit that in the political as in any other game the best do not necessarily win and that the logical thing to do now is to take their defeat gracefully. It was probably this frame of mind which caused them to avail themselves of the opportunity offered by the Sian coup to make overtures to the Central Government.

Nanking Expected to Modify Anti-Communist Campaign

How would Nanking respond? In principle and on record it has outlawed communism and in general it cannot be said to have failed in its task of suppression. But times have changed. With unity substantially achieved, the authorities at Nanking could afford to be more liberal toward political opposition, especially since this liberality had been demonstrated with such good effect in the solution of the Southwest revolt last year. Furthermore, the fact that communism has ceased to be a serious threat does not rule out its capacity for minor mischief and occasional embarrassments, but its total eradication would entail for the Government a task extremely wasteful financially and in man power. Last, but not least, attention must be paid to the popular outcry against national armies fighting fellow Chinese, an outcry which is unanswerable, albeit somewhat unrealistic. For these reasons Nanking is expected to modify its original intention of pressing the anti-Communist campaign to an end.

However, a comparison between the terms of the offer made by the Communists to the 3rd Plenary Session and those of the counter-offer from Nanking shows enough discrepancy of views to forecast protracted and difficult negotiations. It may be recalled that the 3rd Plenary Session at its 6th general meeting held on Feb. 21 had laid down four conditions for a reconciliation with the Communists, these being: —

"1. Abolition of the Red Army and its incorporation into the Nation's Armed Forces under unified command;

2. Unification of Government power in the hands of the Central Government, and dissolution of the so-called "Chinese Soviet Republic" and other organs detrimental to governmental unity;

3. Absolute cessation of communistic propaganda which is diametrically opposed to the Three People's Principles; and,

4. Stoppage of class struggle which splits society into antagonistic classes and invites mutual destruction."

It will be seen that the first two conditions are replies to the first two items in the offer made by the Communists, to wit:

"1. To stop our program of conducting armed risings throughout the country for the overthrow of the National Government in Nanking.

2. To change the Soviet Government into the Government of the Special Region of the Republic of China and the Red Army into the National Revolutionary Army under the direct leadership of the Central Government and the Military Affairs Commission in Nanking."

While the incorporation of the Red Army and the dissolution of the Chinese Soviet Republic appear to have been agreed upon in principle, the Reds seek to maintain for themselves a sort of imperium in imperio, which for want of a better example may be likened to the relations of Catalonia to the Spanish Republic. This apparently will not be sanctioned by the authorities at Nanking who, from Party ideology and bitter experience of the past ten years, would abhor any idea of a separate political entity for the Communists. To them the issue is absorption or extermination; there can be no compromise on the politico-military phase of the problem. But to the last two conditions, i.e., cessation of Communistic propaganda and appeal to class struggle, compliance of the Reds is easier to secure, although it is difficult to say how far they would go to substantiate their good faith, the lack of which was recently stressed by Wang Ching-wei as being largely responsible for the Kuomintang-Communist rift in the past.

So far as can be made out, the situation would seem to indicate that the Chinese Soviets may agree to the dissolution of their organization as an active militant body in opposition to Nanking. On the other hand, they are not expected to give up their existence as an influence in Chinese politics. They will in all probability insist on remaining as a political party within the framework of a democratic government. Here difficulty arises over the absence of any such machinery in the present period of Kuomintang tutelage. If Nanking is anxious to effect an understanding, a way out suggests itself in the making of constitutional guarantees of the rights of speech, assembly and organization by the National People's Congress and that Congress is not so very far ahead. Assured of these rights, the Reds might abandon armed opposition to Nanking and, without incurring the odium and risk of an insurgent body, push their socialist program, which after all is their main concern.

Viewed from various angles, the prospects of a Kuomintang-Communist reunion while not too bright are not ruled out provided reasonable accommodation is manifested on both sides. The National Government is fully justified if it insists on compliance by the Communists to the political and military disposal laid down in the now famous four conditions. But in return for the Red concessions, it would do well to give proper scope to whatever in the economic planks of the Chinese Soviets is just and feasible in the light of enlightened, popular government. Chief among the latter is agrarian reconstruction which in turn resolves itself mainly into the problem of land distribution, a problem so far superficially and feebly tackled by Nanking.

The Last Stumbling Block to National Unity

With the reunion of the Kuomintang and the Communists looming prominently on the political horizon, it may not be amiss to consider the probable effects of such an event. Internally it will remove the last stumbling block to national unity, now that the Southwest has already come under Nanking's sway. And by the active participation of the Communists in national politics, a regime of greater democracy and broader popular basis may be ushered in China. The programe of economic reconstruction launched by General Chiang Kai-shek need not be abandoned in its essential aspects, but may in fact be entrusted to enthusiastic and experienced recruits from the Communists for its smooth and efficient working.

If the Kuomintang-Communist rapprochement is calculated to promote greater unity and harmony among the various elements within the country, it will not have quite the same effect externally. No one who has followed recent events in the Far East need be surprised if Japan raises her voice of objection and invokes the German-Japanese anti-Comintern Pact. Needless to say, it is precisely such an eventuality that Tokyo has been waiting for and would delight to exploit to the limit.

For China the course is clear. The retaking of the Communists into the national fold is purely a domestic problem, to be solved in accordance with the country's best interests and under no pressure or instigation by any foreign influence. For the same reason its propriety is not to be judged by any outside Power. For Japan to meddle in this matter would be to violate China's administrative integrity which her new Foreign Minister Sato has just pledged to respect. If there is anything Tokyo can do for its own benefit, it is to know that the bogey of the Comintern has long outlived its usefulness.

To those who anticipate a provocative anti-Japanese stand as a result of the reunion, it must be pointed out that China's fundamental national policy will not be subject to sudden change no matter who happen to control the Government. For her people there is now only one will and that is to resist any further aggression and to seek just redress of past wrongs. Likewise, for her Government there can be only one policy—that aimed at preserving and restoring her sovereign rights. It is a mistake to think that the Kuomintang-Communist rapprochement would of itself stiffen Nanking's attitude toward Japan—a mistake which amounts to an

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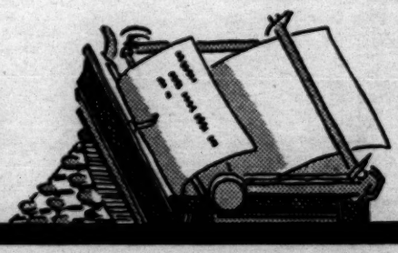

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unwarranted reflection on the patriotism of the ruling authorities. As a matter of fact, stiff resistance has already met and will continue to meet Japanese demands so long as they remain preposterous and impossible.

It is the prevailing hope of the nation today that if the Kuomintang-Communist cleavage has been responsible for so much for this country's unnecessary woes, its amendment may bring forth much in the way of compensation. Now that circumstances have pointed to the only logical and sensible way out of the costly mistake of the past decade there is more than a chance that internal national unity will be cemented beyond impairment and democratic principles upheld and augmented, while externally the capacity for resistance against Japanese imperialism will be greatly strengthened. Last but not least, a source of frequent embarrassments in Sino-Soviet relations also will be removed.

Shanghai, Mar. 15, 1937.

Ministry of Judicial Administration Deplores Miscarriage of Justice

The Ministry of Judicial Administration in a circular order to the Courts Mar. 14 gave instructions that greater care be exercised by the Courts of 1st Instance and 1st Appeal in the trial of criminal cases. The order pointed out that, due to the negligence of the lower-grade Courts in the investigation of criminal cases, irreparable injustice is often committed. Moreover, the re-examination of criminal cases often requires more time and energy than the preliminary examination. Consequently, it often happens that when the doubtful points are at last cleared up, the suspects involved have already died as a result of emaciation in jail.

Municipalization of Ricshas in China Favored by Col. Thomas Tchou

Municipalization of ricshas in various cities in China was advanced by Col. Thomas Tchou, a member of the board of directors of the Pullers Mutual Aid Association in Shanghai, as one of the effective ways of bringing relief to the ricsha men, in an address delivered before the Nanking Rotary Club Mar. 11. As ricshas are becoming more and more popular in the interior Col. Tchou, who is recognized authority on the subject, declared that it is high time for the local authorities to either place the man-drawn two-wheeled vehicles under municipal control or ownership. Col. Tchou, however, did not favor outright abolition of ricshas in modern cities like Shanghai.

New Medical Committee Formed in Nanking —Will Regulate "Native" Medicine

China's herb doctors and scientifically trained physicians have decided to bury their past differences, as a special committee has been organized under the auspices of the Nationa. Health Administration to regulate the so-called "native medicine" and its practitioners throughout the land. Speaking during the inaugural ceremony for the new committee in Nanking Mar. 10, Dr. J. Heng Liu, Director of the National Health Administration, urged the members of the new organ to avail themselves of this opportunity to usher in a new era in "native medicine."

With the aid of modern medical science, such as, bacteriology, pathology and preventive medicine, and employing scientific methods, Dr. Li said, practioners of "native medicine" can make great contributions to human welfare.

Nanking to Open Hospital for Poor with Funds Secured by Mei Lan-Fang's Shows

The ten-day performances given in Nanking recently by Dr. Mei Lan-fang, well-known feminine impersonator, has made it possible for the Nanking Health Station to open another hospital for the poor. The projected hospital will be financed by part of the proceeds of admission tickets amounting to $5,896, turned over by the State Theater, where Dr. Mei's performances were held.

Hospital Inspection Party Spends One Week in Peiping

The members of the Hospital Administration Inspection Party of the Ministry of Education arrived in Peiping Mar. 11 from Tehchow. During their week's stay in Peiping the visitors inspected the Peiping Union Medical College Hospital, the Central Hospital and other hospitals.

Legislative Yuan Postpones Ratification of International Convention on Labor

The Legislative Yuan in the course of a meeting held Mar. 11 decided that ratification of the International Convention relating to Compulsory Labor be postponed. The Convention aims at the abolition of Compulsory Labor. Although the motive is entirely praiseworthy, the provisions of the Convention, whereby conscription of labor for public works is gradually to be abolished, are regarded by the Legislative Yuan as unsuitable to present conditions in this country, especially as the Government has ordered the institution of the system or Compulsory Citizen Labor for the service of the State.

I. G. Report Cites Korean Attacks—Japanese Treaty Violation

Sir Frederick Maze, Inspector General of Customs, has issued another report to the Government concerning the organized smuggling in North China which continues to affect seriously the Customs revenue and reduces the funds available for the foreign loan service, and has drawn attention to recent cases in Tientsin and Tsingtao impairing China's sovereignty and Customs authority.

In Tientsin the Custom House was attacked by armed Koreans who forcibly removed a considerable amount of smuggled cargo stored therein; and in Tsingtao a Customs officer engaged in executing his duty was assaulted by a Japanese mob and injured: redress in both instances was sought but for so far has not been secured.

Sir Frederick further reminded the Government that Japan's general attitude in the North towards the smuggling situation constitutes a contravention of the Japanese Treaty of 1896; and the Tariff Autonomy Agreement of 1930, stipulating that all matters relating to rates of duty on imports and exports in the territories of China and Japan shall be regulated exclusively by the laws of China and Japan respectively.

The Customs Preventive organisation on the railways in the North continues to impede the circulation of illicit cargo from Tientsin. But it should be understood that the work thus performed is largely of a palliative nature—the radical solution of the smuggling problem is to restore China's supremacy in East Hopei, and thus enable the Customs Preventive Department to function normally in that demilitarized and foreign-controlled area.

Smugglers in North China Collect Customs Rewards by Reporting Their Own Activities

The *Ta Kung Pao* on Mar. 12 reported that Japanese and Korean smugglers in North China are not only trying to deceive the Chinese Customs authorities, but are also deceiving Chinese merchants who order smuggled goods from them. Confiscation of large quantities of smuggled goods by the Customs authorities lately is reportedly due to the desire on the part of the Japanese and Korean smugglers to make more money. In practically every case, persons who have reported to the Customs authorities the arrival of smuggled goods have been the smugglers themselves. Japanese and Korean smugglers receive advance payment from Chinese for the contraband, likewise the fees charged for transportation. Thus they find it profitable to engage in smuggling and at the same time report to the Chinese Customs authorities.

Japanese-Korean Transportation Co. to Be Formed to Handle Goods Smuggled

In order to dispose of the large quantity of smuggled goods accumulated in Tientsin, the Japanese and Korean smugglers are reported to be organizing a large-scale transportation company in Tientsin. Through the intermediary of the Japanese authorities, the smugglers have informed the Chinese authorities of their willingness to pay a "nominal fee" in order to legalize the transport of their contraband from Tientsin to other districts. *Kuo Min* says their proposal has been rejected by the Chinese authorities.

More Smuggled Goods Seized in North

A batch of smuggled goods, including 70 sacks of sugar and 20 baskets of apples, shipped from Dairen to Tsingtao aboard the Japanese vessel *Dairen Maru*, was confiscated by the Tsingtao Customs officers Mar. 12 when the boat arrived in the latter port.

Two Korean Smugglers Killed in Clash with Paoantui at Chiuchow

The Japanese press in Tientsin Mar. 15 predicted that strong demands would be made by the Japanese Government as a result of a shooting affair at Chiuchow, between Tientsin and Tsangchow, on Mar. 12 when the Paoantui (Peace Preservation Corps) fired on two truckloads of sugar which were being escorted by Korean smugglers, who refused to stop when signalled. One truck escaped and returned to Tientsin. The tires of the other truck burst, having been pierced by the bullets, and the machine crashed over an embankment killing two of its three Korean occupants. The third man was slightly injured and was conveyed to the Tsangchow Mission Hospital. Chinese reports pointed out that the only injuries the Koreans sustained were in the legs.

The Japanese press declared that 3,000 Koreans are dependent for their livelihood on this special trade. The Japanese newspapers asserted that this struggle is a life and death matter in which a strong attitude by the Japanese was necessary.

The Japanese Embassy presented five demands to the Chinese authorities over the incident at Chiuchow on Mar. 12, as follows: A ban against the use of arms against "special traders" (dealers in goods entering via East Hopei on which the national Customs duty has not been paid); punishment of the militiamen responsible for the incident; an apology by the Chinese authorities; an indemnity; and guarantees against recurrence of similar incidents.

The Chinese authorities were reported to have replied that the shooting had been done by preventive officers and, therefore, any protests must be addressed to the Customs.

"The large-scale smuggling by Koreans in North China is an obstacle to the development of friendly relations between China and Japan," Mr. Kato, 1st Secretary of the Japanese Embassy, is reported to have said in a press interview in Peiping, Mar. 9. Effective measures for the suppression of such smuggling are being devised by the Japanese authorities, Mr. Kato added.

Japanese Operate Bus Line Between Tientsin and Tangku—Smuggling Facilitated

The San Shiu Company, a Japanese bus concern supported by the Japanese military, was inaugurated in Tientsin Mar. 15. The company is now operating a fleet of 30 buses between Tientsin and Tangku. With the inauguration of this bus service, the Customs authorities are finding it all the more difficult to stop the practice of smuggling in the area.

Japanese Authorities Return Seized Smuggled Goods

As a result of protests by the Tientsin Customs House and the French Municipal Council, 16 bags of smuggled goods detained by the Customs some time last month and later seized by the Japanese and Korean ronin were returned to the Customs Administration Mar. 15 through the Japanese Consular Police.

Smuggling Activities Show Signs of Decline in North

Smuggling activities along the various railways in North China have shown a slight decline as a result of the rigid preventive measures enforced by the Customs, according to Mr. Liesching, director of the General Anti-Smuggling Bureau of the Ministry of Finance, who arrived in Chengchow Mar. 11 from Hsinhsiang in Northern Honan on an inspection trip.

Japanese Formulate 10-Year Plan for Development of Tientsin Harbor

Special experts employed by the Japanese Garrison in North China have completed a survey of harbor and river conditions in Tangku and Tientsin. It is reported that these experts have formulated a 10-year plan for harbor and conservancy work in Tangku and Tientsin.

Japan to Invest $10,000,000 in Lungyen Iron Mines

As a result of protracted negotiations between Lu Chung-yu, representing the Hopei-Chahar Political Council, and the president of the Hsin Chung Company, representing Japanese interests, it is learned that the latter has decided to invest $10,000,000 in the Lungyen iron mines.

No Loan Agreement Made for Building of Tsangshih Railway

A report to the effect that a loan agreement has been signed between the Chinese and Japanese authorities for the building of the projected Tsangchow-Shihchichuan Railway is denied by the president of the Hsin Chung Company, the *Lih Pao* of Mar. 10 stated.

More Anti-Red Organs Opened in North by Japanese

The *Sin Wen Pao* Mar. 12 stated that another puppet anti-Red organ, by the name of the North China Anti-Communist Welfare League, has been inaugurated. Formed under the auspicies of the Kwantung Army and the North China Japanese Garrisons, the League will be under the control of Ito Yasukutaro with the assistance of the notorious traitors, Yang Yung-tsai and Liu Tse-ching.

Japanese Lay Cable in Peiho to Connect Tientsin and Tangku

The Japanese military authorities in North China started on March 5 to lay a cable under the Peiho, to connect Tientsin and Tangku, the idea evidently being to link this cable with the cable connecting Japan and Tangku. The City Government of Tientsin reported the Japanese action to the Hopei-Chahar Political Council, and it is expected that the Council will lodge a strong protest and negotiate for a cessation of the work.

Nanking to Devote Greater Attention to Development of Northwest

The Central Government will henceforth devote greater attention to the development of the Northwest, according to General Teng Pao-shan, Commander of the First Army who visited Nanking last week to confer with the Central authorities with regard to the rehabilitation of Kansu.

Tientsin Chinese Bankers to Prevent Circulation of East Hopei Notes

Deep concern is being felt in the Tientsin Chinese business circles over the report that large quantities of banknotes issued by the bogus East Hopei regime have been shipped to Tientsin and will be circulated on the market.

The leading Chinese bankers have decided to take definite action to check the circulation of the bogus notes and will not accept them in any business transaction whatsoever.

Radio Station Installed at Japanese Consulate-General in Tientsin

A radio station has been installed in the Japanese Consulate-General in Tientsin. Through it, the Japanese authorities are communicating with various districts and are re-broadcasting radio messages received from Tokyo and Changchun.

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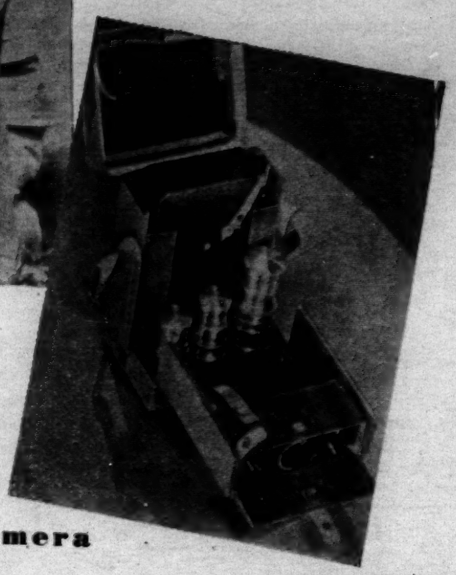

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Oriental Development Co. Will Expand Its Activities in South Seas

Foreshadowing an expansion of its activities in the South Seas and on the mainland, the Oriental Development Company has concluded negotiations for the flotation of a Yen 20,000,000 bond issue. The concern is engaged in the investment business in Manchukuo, Korea and the South Seas Islands and also aids Japanese migration to the new State.

The underwriting interests include the vast Mitsui, Mitsubishi, Sumitomo, Yasuda and Nomura concerns, the Yokohama Specie Bank, the Sanwa Bank, the Japan Industrial Bank, the Dai-Ichi Bank and the Bank of Chosen.

Sun Fo and T. V. Soong to Proceed South

Sun Fo, President of the Legislative Yuan, and T. V. Soong, leading member of the National Edonomic Council, will proceed to Kwangsi to meet Generals Li Tsung-jen and Pai Chung-hsi. Both Mr. Sun and Mr. Soong are expected to proceed the South during this month for an investigation tour of Hainan Island, according to a Hongkong message in the *Shun Pao* Mar. 13.

Canton Businessmen Urge Formation of Smuggling Prevention Committee

In view of the fact that smuggling, although greatly reduced, is still prevalent, commercial organizations in Canton Mar. 13 have requested the financial authorities to organize a smuggling prevention committee so as to assist the Government in the work of suppression.

Kwangsi Prohibits Export of Rice

It is reported that the Kwangsi Provincial authorities have recently decided to effect drastic prohibition on the export of rice from Kwangsi, and that those who violate the order will be severely punished.

Annam Chinese to Send 50,000 Piculs of Rice to Canton

Concerned over the rice shortage in Kwangtung, the Cantonese residents in Annam have purchased 50,000 piculs of rice which will be shipped to Kwangtung. The first batch of 10,000 piculs has left Indo-China and is expected to arrive in Hongkong shortly.

U.S.A. and France also to Participate in Development of Hainan Island?

The plan for Anglo-Chinese cooperation for the economic development of Hainan Island will be materialized after the arrival of the British Ambassador, Knatchbull-Hugessen, in Kwangtung, who will decide the method of investment after a personal inspection, a *Tatung* message from Hongkong Mar. 13 stated. It is stated that the U.S.A. and France also contemplate participation in the economic development of this Island, and as a result of negotiations with the Nanking authorities, have proposed to contribute $20,000,000 each as a part of the investment fund.

With the approval and understanding of the British authorities, Julean Arnold, U.S. Commercial Attache arrived in Canton Mar. 9 for an interview with Yu Han-mou, Pacification Commissioner for Kwangtung Province, Huang Mu-sung, Governor of Kwangtung, and Liu Wei-chi, Head of the Reconstruction Department. Mr. Arnold later proceeded to Hainan Island to get first-hand information. The French Ambassador is expected to proceed south at the end of this month to interview the Kwangtung authorities and later proceed to Hainan Island.

Julean Arnold Discusses Forestation Work with Dr. D. Y. Lin in Canton

Promotion of afforestation work in Kwangtung province formed the subject of a two-hour talk in Canton Mar. 11 between Dr. D. Y. Lin, Director of the Kwangtung Agriculture and Forestry Bureau, and Julean Arnold, U.S. Commercial Attache. Mr. Arnold is making a tour of South China, including Hainan Island.

Railway Planned to Encircle Hainan Island

A railway circling Hainan Island is being planned by the Kwangtung provincial authorities in connection with the development program. Chang Hai-ping, a well-known railway engineer at Hangchow, has been invited by Tseng Yang-fu, Mayor of Canton, to come south to assist in the arrangements.

W. M. Kirkpatrick Returns to Shanghai from South China

W. M. Kirkpatrick, representative in China of the British Export Credits Guarantee Department, after his visit to Canton, departed from Hongkong on Mar. 13 aboard the *President McKinley* on his return to Shanghai. Mr. Kirkpatrick was entertained at lunch and dinner at Canton respectively by Gen. Yu Hân-mou, Pacification Commissioner for Kwangtung, and Dr. Philip Tyau, Foreign Affairs Commissioner for Kwangtung and Kwangsi, before his departure. He also visited the National Chung Shan Unlversity, accompanied by Gen. Hsiang Han-ping, deputy Commander-in-Chief of the Fourth Route Army.

Development of Northwest Urged by Chang Chi

An appeal to the nation to redouble its efforts in the rejuvenation of the Northwest after the settlement of the Sian revolt was made by Chang Chi, C.E.C. member and veteran Kuomintang leader, in the course of a recent radio talk over the Central Broadcasting Station.

Mr. Chang expressed gratification over increased attention on the part of the government and the people to the development of the Northwest during recent years. The extension of the Lunghai Railway further westward, the large bank investments in rural rehabilitation and the promotion of the cotton, oil, flour and other industries by Shanghai capitalists in the Northwest were all encouraging signs in this direction.

Unfortunately, Mr. Chang continued, the Sian revolt last Dec. 12 dealt a heavy blow to those engaged in the development of these provinces so much so that many withheld their investments. Scouting such cowardice, Mr. Chang pointed out that the development of the Northwest is a fixed national policy, which will be put into realization at all costs.

Nanking Places Embargo on Export of Iron Ores

The *Shanghai Mainichi*, Mar. 11, stated that the National Government has clamped down an embargo on the export of iron ores from this country, thus dealing a blow to Japan's iron industry. Most of the iron ores shipped from China have been going to Japan.

Alum Fields in Chekiang to Be Developed

The Chekiang provincial government will spend $2,000,000 to develop the vast alum fields at Pingyang in east Chekiang. Alum is one of the only two minerals that have been exploited in said province. Chiefly used for dyeing and tanning, this mineral is exported from Wenchow.

Cement Works to Be Set Up in Pinghsiang, Kiangsi Province

Taking advantage of the rich production of lime there, the Kiangsi provincial government is arranging with the Hunan provincial government for the joint establishment of a $2,000,000 cement works at Pinghsiang, western Kiangsi.

Hai Ho Conservancy Engineering Bureau to Remove Silt from River

The work of removal of the silt in the Hai Ho (river), on which Tientsin is located, hitherto under the direction of the North China River Conservancy Commission, was transferred Mar. 11 to the Hai Ho Conservancy Engineering Bureau, newly organized by the Hopei Provincial Government. General Men Chih-chung is Director of the Bureau.

Agreement for Sale of Changlu Salt to Japan Signed at Tientsin

An agreement for the sale of Changlu salt to Japan was formally signed at the Salt Commissioner's Office for the Changlu District in Tientsin, Mar. 10. According to the terms of the agreement, the amount of salt to be shipped to Japan this year is fixed at 230,000 tons—the first shipment to be 100,000 tons. The price is fixed at $2.3622 per ton. It was also verbally agreed that an allowance of $20,000 is to be paid by the Japanese to the salt merchants.

Shipping Service to Manila to Be Inaugurated on March 27 by China Merchants S. N. Co.

The first Chinese-operated shipping company to maintain a regular passenger service to foreign shores since the suspension of the old China Mail Steamship Co. in 1923, will be inaugurated on March 27 when the s.s. *Hai Heng*, belonging to the China Merchants Steam Navigation Company starts its initial run to Manila from Amoy. The new service is being opened as a result of the increasing passenger and freight traffic between Fukien and the Philippines.

$266,280,000 Subsidiary Notes Issued in Kwangtung

The total amount of subsidiary notes issued by the Kwangtung Provincial Bank up to the present time is $266,280,000, according to an official report released by the bank in Canton Mar. 21.

Kwangtung Bank to Help Tobacco Growers

For the promotion of the tobacco industry in Kwangtung, the Canton Branch of the Farmers Bank of China has set aside $1,000,000 to be loaned out to the tobacco growers in the province.

Nanking Orders Match Factories in South China to Join Sino-Japanese Syndicate

The Ministry of Finance has again issued an order instructing match manufacturing enterprises in South China (Fukien and Kwangtung) to join the National Match Production and Distribution Association, a Sino-Japanese Syndicate which was formed last year and officially inaugurated on Feb. 1, the *Shanghai Nichi-Nichi*, March 10, stated.

Canton-Hankow Radio Telephone to Be Inaugurated Mar. 21

The Canton-Hankow long-distance radio telephone service will be inaugurated Mar. 21, when General Huang Mu-sung, Chairman of the Kwangtung Provincial Government, will exchange greetings with General Huang Shao-hsiung, Chairman of the Hupeh Provincial Government, and Tseng Yang-fu, Mayor of Canton with Dr. Wu Kuo-chen, Mayor of Hankow.

Former Railway Head Organizes Company to Develop Shantung Industries

Yin Tung, formerly Managing Director of the Peiping-Liaoning Railway Administration, who has retired from the political limelight since 1935, is organizing a company in Tsingtao to undertake the development of industries in Shantung. He left for Tsinan recently to make preparations for the inauguration of the new concern.

100,000 Trees to Be Planted on Nanking Hill by Voluntary Labor

The Nanking City Government has given notice of a voluntary labor project for the planting of 100,000 young trees on the Chingliang Hill, in the western part of Nanking, on Sunday Mar. 21, when the entire force fo the Nanking populace will be mobilized to "decorate" the now practically denuded Hill.

International Ice Syndicate Planned for Shanghai

In view of the success which has attended the activities of the recently-organized Sino-Japanese match syndicate, Chinese, British and Japanese ice manufacturers in Shanghai are planning to establish a similar organization to control the production and sale of ice in Shanghai. Fourteen firms are expected to join the syndicate, including 10 Chinese, one British and three Japanese firms. The prospective participants are already discussing production quotas, the *Shanghai Nichi Nichi* says.

China Tea Company to Be Organized Soon

Dr. Kinn Wei Shaw, assistant manager of the Central Bank of China, who went to Kiangsi, Hupeh, Fukien, and Chekiang provinces for the purpose of making arrangements for the organization of a China Tea Company on behalf of the Ministry of Industry, returned to Nanking Mar. 14. In his report to Wu Ting-chang, Minister of Industry, Dr. Shaw declared that various circles have promised to take up $1,000,000 worth of shares in the company. It is reported that the first preparatory meeting of the company will be held on Mar. 25 in Nanking.

$2,500,000 Loans for Tea Promotion

The Bank of Communications and the local banks of Anhwei and Kiangsi have extended a joint loan of $2,500,000 to the two provincial governments for the promotion of the tea industry.

Handicraft Products Exhibition Opened at Peiping

The preliminary exhibition of Peiping's handicraft products collected for the forthcoming national handicraft works show in Nanking was opened in Peiping Mar. 16 at the Native Goods Museum at Chienmen. No less than 5,700 articles representing products of 490 handicraft factories in Peiping were put on display. The exhibition will last for ten days.

China M. S. N. Co. Earns Record Revenue in January

The China Merchants Steam Navigation in January of this year reported a total operating revenue from the conveyance of freight and passengers of $1,066,942.54. This figure represents an increase of 95 per cent over the receipts of $554,835.25 for the corresponding month of 1936.

Sino-Japanese Negotiations Continue for Building of Tsangchow-Shihchiachuan Railway

Conferences were held in Tientsin Mar. 5, Mar. 6 and Mar. 8 between the Chinese and Japanese representatives in connection with the building of the projected Tsangchow-Shihchiachuan Railway. According to the *Shun Pao* Mar. 12, it has been agreed, as a result of these conferences, that a planning committee will be organized to map out the construction of the projected line. The cost of building has been fixed at from $24,000,000 to $28,000,000. This sum will be advanced by the South Manchuria Railway Company through the Hsin Chung Company, the funds to be supplied in the form of constructive materials. Interest from 5 to 6.5 per cent per annum will be charged. It is believed, however, that the South Manchuria Railway Company may have to advance a sum of $8,000,000 in cash for the building of the railway. Full agreement is expected to be reached after a few more conferences.

Foochow-Nanchang Railway to Be Constructed

Construction work on the projected Foochow-Nanchang Railway is to be started shortly. The roadbed will first be laid on the section from Yenping in Central Fukien to Kweichi in Kiangsi, where the line will be linked up with the Nanking-Nanchang Railway.

Extension of Lunghai Line to Chiakoukwan Urged by Gen. Teng Pao-shan

A recommendation was made by Gen. Teng Pao-shan, commander of the newly-organized First Army which will be stationed in Kansu, during a cnoference recently held with Gen. Chiang Kai-shek, that the Lunghai Railway should be extended as far west as Chiakoukwan in northern Kansu within a period of five years, so as to break down the local barriers and lay a solid foundation for China's national defense system.

Szechwan-Kweichow Railway Board Appointed

The Executive Yuan Mar. 9 approved the appointment of Tseng Yang-fu as general manager of the Szechwan-Kweichow Railway Corporation and concurrently chairman of its board of executives. Six government members of the board of executives were appointed namely, Messrs. Chang Kia-ngau, Minister of Railways, Tseng Yang-fu, Mayor of Canton, Teng Yi-kwang, director of the Engineering Bureau, Liu Hang-shen, Szechwan finance commissioner, Kan Chi-yuang, member of the Szechwan provincial government, and Lu Tso-fu, Szechwan reconstruction commissioner.

Ministry of Railways Cuts Freight Rates for Farm Products

The Ministry of Railways has promulgated a set of regulations governing the reduction of transportation rates for agricultural products to be shipped on the Nanking-Shanghai, Shanghai-Hangchow-Ningpo, and Lunghai Railway between the different hsien in Kiangsu. To be applied to cooperative societies of agricultural products only, these regulations will be enforced beginning as from April 1.

Government Insures Railway Properties for $82,000,000

China's railway properties have been insured with the Central Trust against fire and flood for a total sum of $82,000,000, according to an announcement by the Ministry of Railways Mar. 4.

The amounts of insurance taken out in the case of the principal railway systems was as follows:

Tientsin-Pukow Railway, $14,060,606.74; Peiping-Hankow Railway, $16,435,427.00; Peiping-Liaoning Railway, $11,638,100.00; Lunghai Railway, $7,299,915.51.

New Agreement Reached on Chengtu-Chungking Railway Construction Plan

Construction work on the Chengtu-Chungking railway is expected to be greatly facilitated by a new agreement which has just been reached between Gen. Liu Hsiang, Chairman of the Szechwan Provincial Government, and Teng Yi-kwang, chief engineer of the Szechwan-Kweichow Railway Company. Construction of a railway station and a wharf at Chungling was started this week.

Road Traffic Act Adopted at Second National Highway Traffic Conference

Many important resolutions relative to national highway traffic were adopted at the 2nd Conference of the National Highway Traffic Commission held recently in Changsha in conjunction with the 4th Highway Traffic Safety Exhibition, Ho Nai-min, technical expert of the Commission, informed a representative of the *Central News Agency* when interviewed upon his return from the Hunan provincial capital. The most important legislation made at the Conference, Mr. Ho said, was the adoption of the Draft Road Traffic Act which may be considered as the basic law for national highway traffic. The Act was formulated with similar acts of Great Britain, France, Germany and the United States as reference. Provisions relating to the classification, registration and inspection of cars, their dimension and capacity, safety equipment, parking and driving and examination of drivers are made in detail.

Ministry of Industry Sets Time Limit for Factory Registration

The Ministry of Industry in a circular order to all provincial and municipal governments Mar. 15 stated that all factories in the country are required to be registered with the Ministry before June 13. When applying for registration, the order stated, particulars concerning the business conditions of the factory, its capital, number of employes, scale of wages, volume of products, and their price and market, are to be reported to the Ministry. The order declared that any factory which fails to apply for registration with the Ministry or to meet its requirements will be subject to a fine. This measure, according to the order, is designed to enable the Ministry to obtain the necessary industrial data before technical or financial aid is granted.

Interviewed by press representatives a high official of the Ministry revealed that of all the factories operating in China, only 3,130 have registered with the Ministry of Industry during the last two years.

Dr. Andersson Regrets that Japanese Control China's Principal Iron Ore Deposits

Dr. J. G. Andersson, 63 year old Swedish geologist, reviewed his career in an interview with *Central News* in Nanking March 15. Dr. Andersson first came to China in 1914 as adviser to the Ministry of Labor and Commerce, to explore iron ore and coal deposits in North China and along the Yangtsze River. His geological discoveries were crowned with the finding of the Peking Man in 1926. Dr. Andersson expressed sorrow over the fact that the Japanese now control the finest and largest deposits of iron ore found in China, and claimed that "nothing worse could have happened to China in her plans for future industrialization."

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Qualifications of Foreign Aviation Pilots in China to Be Examined

To ensure greater safety in air travel in China, the qualifications of foreign pilots in the employ of the various aviation corporations will henceforth be subject to rigid examination, according to a *Central News* message from Nanking. Instructions have been sent out by the Ministry of Communications to the aviation firms concerned to the effect that foreign pilots are required to submit written statements of their experiences and qualifications. Only those whose credentials are satisfactory will be given permits to pilot planes in the country.

Captain Sellers Returns to Alameda to Train for Manila-Hongkong Run

Captain Cecil Sellers, veteran American air pilot in China, proceeded by the s.s. *President Grant* this week to Manila, whence he will take off Mar. 24 by Martin Clipper seaplane for Alameda, where he is to start training to handle the big Sikorsky 42-B four-engined plane which pioneered the Pacific airways. Captain Sellers has been ordered home by Pan-American Airways to receive training for handling the new Manila-Hongkong run which is to link the trans-Pacific service with China, for which the Sikorsky 42-B will be used. Trans-Pacific passengers after landing at Hongkong will come to Shanghai by the present Pan-American and C.N.A.C. service.

New Sikorsky Plane to Be Used by Gen. Chiang Kai-shek

A Sikorsky S-43 plane for the China National Aviation Corporation is being assembled at the Lungwha Airdrome. A Sikorsky S-43 amphibian which had been previously assembled made several test flights over Shanghai last week. This plane is for General Chiang Kai-shek. It will be flown by Julius Barr, formerly Chang Hsueh-liang's ace American pilot.

Wuchang and Hankow Hold Anti-Air Sham Battle

Wuchang, Hankow and Hanyang were plunged into darkness for one hour on the night of Mar. 15 incidental to a large-scale air defence maneuver. The three cities assumed the aspect of a battle-field as all communications on land and water were stopped, local residents remained indoors and only police and gendarme units were active in the dark. The air defense drill started with government planes engaging "enemy" aircrafts in a sham battle. The maneuvers were extended along the Hankow-Chengchow section of the Peiping-Hankow Railway.

Shanghai Unit of Aviation Reconstruction Association Holds First Meeting

Hopes that the people of all walks of life in Greater Shanghai would whole-heartedly co-operate to help promote the aviation reconstruction movement were expressed by Mayor Wu Te-chen at the first general meeting of the Shanghai Branch of the China Aviation Reconstruction Association held at the Shanghai Civic Center, Mar. 15.

Imperial Airways Liner Crashes in Germany—All Occupants Dead

After some 12 hours' frantic anxiety over the whereabouts of the *Jupiter*, a four-engined Imperial Airways liner bound for Cologne, the machine was finally found wrecked near a hunting lodge in the hilly Berkein district of Wurtemberg, Germany Mar. 16. All three of her occupants were dead.

Plane Crashes into Sea near Dairen

A Japanese scouting plane nose-dived into the sea, off Liushutun near Dairen on Sunday afternoon, Mar. 13. All hope has been given up for the life of the pilot, Hiyama.

Strengthening of U. S. Pacific Air Force Matter of Serious Concern for the Japanese Navy

The Tokyo *Yomiuri* of Mar. 4, in noting that the U. S. naval appropriations for the fiscal year of 1937-38, having in view huge fleet construction and an "ocean-crossing" attack program, had been adopted by the ways and means committee of the House of Representatives to the amount of $526,000,000, summarized the views in Japanese naval circles as follows:—

"Although nominally the total American budget for 1937-38 is $1,540,000 smaller than the one for 1936-37, which constituted a peace-time record, the appropriations to be enforced must be supplemented by $56,000,000 carried over from the previous year, totalling $582,000,000, which would be establishing a new peace time naval budget record; the outstanding item is the sum to be spent for the construction of two capital ships of 35,000 tons each. (Auxiliaries and special service ships are included in the Vinson plan already provided for); that $49,000,000 of the appropriations is to be spent to purchase 397 airplanes and to expand advanced air bases for the strengthening of the Pacific air force at a leap is a matter of serious concern for the Japanese Navy."

$3,000 Reward for Capture of Notorious Bandit

A $3,000 reward has been offered by the Headquarters of Pacification Commissioner of Honan and Anhwei for the head of Tsui Er-tan, notorious bandit chieftain, whose followers have spread terror in west Honan during the last year. Tsui's men, who suffered several reverses in recent battles with Government troops have been split into three bands.

Vespa Case Results in Dismissal of Japanese Police Official at Harbin

Special correspondence from Harbin in the Shanghai *Evening Post* of Mar. 13 gives details of the treatment accorded to Mrs. Vespa, whom the Japanese gendarmerie in Harbin had held as a hostage so as to secure the return of her husband, who fled more than a year ago to Shanghai, after having been accused by the Japanese police of unlawful financial transactions—all of which he denied.

Mrs. Vespa was kept 87 days in a Harbin prison, during 33 days of which she was without any meals, excepting bread and water, and it was only when the prison doctor stated she would die that she was at last permitted to have good food brought to her. She was not charged with any crime, and the only examination held was one asking her name, place of birth, etc. When released from prison, a special detective was placed in the room next to hers in the hotel and anybody trying to come near her room was questioned as to his or her business, and in some cases, even arrested.

Mrs. Vespa, her son and daughter have in the meantime reached Shanghai safely.

Mr. Vespa, who arrived in Shanghai more than a year ago, had been 17 years in the Manchurian Intelligence Service, of which three and-a-half years were under the Japanese.

Simultaneously with the release of Mrs. Vespa, Tokyo ordered the dismissal of the assistant Japanese chief of the criminal department that handled the Vespa case and it is stated that an investigation into the whole affair is now in progress.

Nation-Wide Anti-Tuberculosis Campaign to Be Waged in China

The Anti-Tuberculosis Association of China will, during the next two months, deliver a series of radio lectures over the Central Broadcasting Station stressing the dangers of tuberculosis and pointing out methods of preventing its spread. The dangers of promiscuous spitting will be among the things emphasized. Three delegates from Shanghai—Dr. W. K. Ting, Superintendent of the Hungjao Sanitarium, S. M. Dong, General Secretary of the Anti-Tuberculosis Association, and S. C. Li, Organization and Publicity Secretary of the Association—are proceeding to Nanking this week in connection with the anti-tuberculosis campaign. They will later visit various cities in Central China.

It is stated that one out of every 25 Chinese suffer from tuberculosis. Out of every 10 afflicted with this dread disease, one dies every year. The scourge costs China $3,200,000,000 every year.

Filipinos Not to Take Part in Far Eastern Athletic Championship

The Far Eastern Athletic Championships (projected by Japan to replace The Far Eastern Olympic Games) to be held in Osaka next year, are likely to be contested for by Japan and Manchukuo alone, for news has been received from Manila that the Philippines may not be represented. The Philippines Athletic Association has sent a telegram to the Japan Athletic Union, suggesting that as they wish to devote their whole energy to preparations for the Olymyics in 1940, the Union might postpone the Championships to some suitable time after the Tokyo Meet. However, inasmuch as the Manchukuo Athletic Association has already consented to participate in the Meet, the Union immediately dispatched a reply urging the Philippines Association to take part in the Championships as scheduled.

Track Meet May Be Held Here to Commemorate Shanghai City Government Anniversary

A resolution was adopted at the meeting of the board of directors of the China National Amateur Athletic Federation held in Nanking, Mar. 11, that a dual track and field meet between the Philippines and China be held on July 7, the 10th anniversary of the fouuding of the City Government of Greater Shanghai or during the forthcoming National Track and Field Meet on Oct. 10.

Presided over by Dr. Chang Po-ling, the chairman, the board was informed that the reply to China's request for the suspension of the Far Eastern Olympic Games has been recieved from the Philippine Amateur Athletic Federation, saying that a formal answer will be forwarded as soon as it has heard other member countries, including Japan.

Chinese Found New English Afternoon Daily in Tientsin

Chinese interests in Tientsin have established a new afternoon daily newspaper in the English language in that city. The name of the new paper is *Evening Post* and its office is located at 314 Elgin Avenue, the paper being published by the Evening Post, Ltd. The daily issues consist of 8 pages and the paper publishes the dispatches of *United Press*, *Domei*, *Havas* and *Central News*.

Shanghai Sends Delegates to Honan to Assist in Relief Work

In view of the serious drought situation in Honan, various public organizations in Shanghai have requested General Chu Ching-lan, Chairman of the National Famine Relief Commission, and two other prominent local leaders, Messrs. Mu Ou-chu, and Lu Po-hung, to proceed to that province this week to supervise the relief work. For the purpose of relieving the drought sufferers in Honan, Dr. H. H. Kung, Minister of Finance, has alloted a sum of $100,000, after hearing a report from Chang Fang, Chairman of the Honan Famine Relief Committee.

In view of the distress in Kansu province caused by national calamities and bandit depredations, the General Relief Commission, in a despatch to the Ministry of Finance, requests that Kansu's quota of $300,000 from the Flood Loan for Labor Relief be appropriated immediately for the succor of the refugees. Tu Yen-nien will be sent to the North-western province by the Commission to supervise the distribution of the funds.

Gen. Chiang Kai-shek Gives $20,000 for Shensi Refugees

Twenty thousand dollars contributed by Gen. Chiang Kai-shek, President of the Executive Yuan, for the relief of the distressed families of the Northeastern troops was distributed in Sian Mar. 12.

Food Shortage in Ninghsia Causes Anxiety

As a result of the scanty harvest and the Sian revolt last year, a serious food shortage problem has arisen among the Ninghsia populace, according to a telegram received in Sian by Pei Jui-ling, representative of Gen. Ma Hung-kwei, Chairman of the Ninghsia Provincial Government. Prices of flour and rice continued to soar during the last few weeks. Thousand of victims are in need of immediate relief.

No Yellow River Flood This Spring

Assurances that the Yellow River valley will be immune from the spring flood were contained in messages received by the Yellow River Conservancy Commission, in Nanking this week. Although thaw has set in, it is stated, the flow of the river is steady and there is no cause for alarm as all necessary precautions have been taken along the river.

Kung Hsiang-yung, chairman of the Yellow River Conservancy Commission, who last week concluded one of his periodic visits to Nanking to confer with officials in the National Economic Council, and especially with Dr. H. H. Kung, stated in an interview, "Given time, which is essential, and with scientific methods and technical devices at our disposal, we shall be able eventually to subjugate the Yellow River, or 'China's Sorrow,' and place it under human control."

Hupeh to Open Canal Linking Han and Yangtsze Rivers

To facilitate communication between the Yangtze and the Han Rivers, the Hupeh Reconstruction Department is planning to open a new canal in the central part of the province. Gen. Huang Shao-hsiung, Chairman of the Hupeh Provincial Government, has instructed the Kianghan Engineering Bureau to map out the necessary details. With the opening of the canal to connect the two main streams in Hupeh, transportation of cargoes from Szechwan, Yunnan and Kweichow by water to Hupeh, south Hunan and north Shensi will be greatly facilitated.

New Huai River Outlet to Be Completed Next Month

The engineering job undertaken by the Huai River Conservancy Board, started in November 1934 and involving the opening of an outlet to the sea for the waters of the Huai River, is expected to be concluded by the end of next month. Taking nearly two and a half years to complete, the work has entailed an expenditure of twelve million dollars. The population living along the upper reaches of the River will receive immense benefit, as with an outlet provided for the swollen waters of the River, the danger of flood will be minimized and their crops protected.

Half a Million Hungry Peasants Join Bandit Groups Because of Famine

A message from Chengchow in the *Lih Pao* of Mar. 15 stated that a grave problem has arisen as a result of the famine in Honan Province. The influence of the so called "Red Spear Society" in Honan has been augmented due to the fact that half a million hungry people from Szechuen have become members of the bandit group. Recently they launched an attack on the police headquarters at Huiching, as a result of which part of the 40th Route Army was rushed to the scene to preserve order.

Szechwan Famine Causes Sufferings to Hundreds of Thousands

According to the Generalissimo's Provisional Headquarters in Chungking, the famine covers 105 out of the 148 districts in Szechwan and is bringing untold sufferings to hundreds of thousands of the inhabitants.

The Szechwan authorities plan to relief the famine-stricken populace by putting them to work on the projected Szechwan-Yunnan highway, which is to be built at a cost of $1,390,000.

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President Roosevelt May Call World Conference, Says London Journal

President Roosevelt, within two months, possibly may call a conference of European nations similar to the recent Pan-American peace conference at Buenos Aires, the London magazine *The Week* predicted Mar. 11. "From all indications," the magazine stated, ". . . plans for the conference have virtually been completed. Paris already is informed of the situation and Wall Street . . . is convinced that the announcement is coming soon."

Ottawa Accords Attacked by Prominent Liberal in London

"The closing of the open door was a provocation to all powers not possessing colonies, and especially to Japan and Germany," Sir Archibald Sinclair declared in an attack on the Ottawa agreements at a Liberal Club dinner in London Mar. 11. The speaker criticized the Cabinet's economic policy and urged the resumption of free trade and repeal of Ottawa agreements.

Chinese General, Returned from Europe, Says War Not Imminent

Although war clouds are hovering over Europe, a major conflict among the Continental Powers is held as premature by Gen. Shangkuan Yunhsiang, commander of the Eleventh Route Army, who returned to Canton last week after twelve month's inspection of military conditions in European countries. Germany, according to Gen. Shangkuan, is still too impoverished to plunge headlong into a major conflict, while Italy, after her Abyssinia conquest, wishes a pause before considering another adventure. The armament race among the European Powers is definitely on, although he thought that none of them dares to ignite the powder magazine to start another world conflagration. During the last year, according to Gen. Shangkuan, China has gained much in international prestige, especially after the liquidation of the Liangkwang and later the Sian issues.

Mussolini Claims Monopoly as Protector of Mohammedanism

Signor Benito Mussolini Mar. 15 issued a challenge to all Colonial powers, especially Great Britain, by claiming to be the sole protector of Mohammedanism and the Arab race. In a pamphlet on the "Islamic Policy of Italy," it is claimed that the only country living in peace and tranquillity in all Islamic Mediterranean is Libya, the Italian colony in North Africa.

In the Italian Empire, it is declared, there is the fullest protection for the Moslem faith, and no attempt to convert Moslems to Christianity has been authorized by the Government.

"In Algeria," says the pamphlet, "there are rebellions and violence, and in Morocco and Tunis political agitations."

Referring to Palestine, the document declares that the revolt of Arabs foments unceasingly "despite cruel repression."

The challenge is the culmination of a long outpouring of Italian propaganda in Arabic from the radio station at Bari, on the Adriatic, and is expected to have considerable repercussions on British influence in Arab lands.

Italian and German Regulars Said Assisting Spanish Insurgents

The participation of Italian and German regulars in the present insurgent drive on Madrid was alleged in a protest received by the Secretariat of the League of Nations Mar. 13 from Senor del Vayo, Spanish Minister for Foreign Affairs.

Five Chinese Receive German Decoration for Service to Crew of German Destroyer

Five Chinese were decorated by the German Government in a simple ceremony at the residence of Dr. Oscar Trautmann, German Ambassador to China in Nanking Mar. 10 for their service rendered to German war prisoners and the crew of the German Destroyer S 90 in Nanking during the Great War. The recipients of the decorations were Wang Ku-pen, Nanking Police Commissioner, Maj.-Gen. Kuo Kung-shih, a member of the Board of General Staff, Col. Wang Kwei-lin, ex-Police Commissioner of Nanking who is now in Tientsin, Col. Chang Chuan of the Central Military Academy, and Col. Liu Wei-kwei now at Kokonor. Mr. Wang Ku-pan was decorated with the Order of the Red Cross, while each of the other four received a Cross of Merit.

German Government Presents Film to Military Affairs Commission

The German film, "Sport and Soldiers," has been presented by the German Government to the Military Affairs Commission as a gift. The film was shown at the special performance before many Nanking leaders recently during the visit of the German cruiser *Emden*.

Fascist Spies Alleged to Be Plotting in U.S.

An offer was made in the House of Representatives Mar. 11 by Samuel Dickstein, Chairman of the Rules Committee, to name a hundred spies attempting to establish a Fascist government in the United States. Speaking in support of the resolution to investigate the distribution of slanderous anti-American progpaanda, the Democratic representative from New York said Nazis were trying to build up an army in the United States. A total of 200,000 men had already been organized, and the number would be increased to 1,000,000 before the end of the year.

American Jewish Newspaperman Ordered to Leave Germany

Ben Smolar, correspondent in Berlin of the Jewish News Agency of New York, was on Mar. 14 given four days notice to leave Germany.

"We Must Grind Our Swords Sharper," Says German Air Minister

"We must grind sharper and sharper out swords because this will be the best guarantee for the maintenance of peace," declared the Minister of Aviation, General Hermann von Goering, in a speech in Berlin Mar. 16.

German Newspapers Use Filthy Language in Denouncing Mayor LaGuardia

The language of the German press, particularly of the Nazi organ, *Der Angriff*, about the American people and Government in connection with the LaGuardia incident was the subject of strong representations in Berlin Mar. 13 by William E. Dodd, the American Ambassador, to Baron von Neurath, the German Foreign Minister. The Ambassador is understood to have emphasized that America's foreign policy was conducted on a basis of complete mutual respect for the rights and sensibilities of other countries, but stressed the safeguards provided in the American Constitution for the rights of free speech.

The American Government, Mr. Dodd declared, was unable to account for such sweeping vituperation and unfounded attacks, which were probably unparalleled in their coarse and indecent character and staggering and shocking to all decent minds, especially as they appeared entirely unjustified. The German newspaper in question had described the Jewish women who were attending the meeting which Mayor LaGuardia addressed in New York as "women of the streets, gathered to be entertained by a pimp-procurer mayor." The more recent German comments have been of a nature unprintable in the American newspapers.

Every mention of Herr Hitler was booed by the thousands of persons who crammed Madison Square Garden in New York, Mar. 15 to take part in a vast anti-Nazi demonstration. General Hugh Johnson, formerly Administrator of the N.R.A., denounced Hitler and his staff as "sort of monsters who are threatening the peace of the world."

Further Move Made Against Defaulters to U.S.

Senator Allen Ellender from Louisiana Mar. 12 introduced a measure in the U. S. Senate which would prohibit any foreign nation, in default on its obligations to the Untied States, from establishing a financial agency in America for the marketing of its securities. The Senator proposed that his measure be incorporated as an amendment to the Johnson Act, which prohibits American under-writing of the loans of any nations in debt to America which are in arrears or default on their obligations.

Libel Action Against U.S. Ambassador Davies by Law Partner

A libel action against Joseph Davies, American Ambassador in Moscow, has been filed in the Manhattan Supreme Court by his former business partner, Frederick Landeck, who asks $100,000 damages. Mr. Davies, through his solicitors, has entered a general denial of the charges and has himself brought a charge against Mr. Landeck for "wrongly diverting and appropriating large sums to his own use."

158,525 Persons Cured of Opium-Smoking Habit in Kiangsu

Notable achievements in the opium suppression campaign have been made in Kiangsu during the last year under the guiding hand of Chen Kuo-fu, Chairman of the Kiangsu Provincial Government. According to official statistics, altogether 158,525 persons in the province have been cured of the habit.

$30,000 Worth of Drugs Burned in Tientsin

Approximately $30,000 worth of raw opium, heroin and red pills, which were seized by the Tientsin Customs during the past year, were burned in public on the morning of Mar. 11.

Canton Authorities Burn Opium-Smoking Implements

Nine truckloads of narcotic and opium-smoking paraphernalia were burned in public at Canton, Mar. 11 by the opium-suppression authorities.

Huge Quantities of Opium Smuggled Into Tientsin from Jehol

A *Central News* message dated at Tientsin Mar. 15 stated that between ten and twenty thousand ounces of raw opium, all packed in artificial silk bales, have been smuggled to Tientsin from Jehol by way of Changli during the last few weeks. Smuggling by this route is said to be a matter of almost daily occurrence.

Necessity of a Definite Plan for South China Economic Development

BY CHEN FU SHENG (陳福生)

The can be no political tranquility without economic stability; there can be no national defense without economic reconstruction. With a view to strengthening her position in the family of nations, Hitlerist Germany is pushing on her Four-Year Economic Program. Viewed in this light, the Nanking Government's decision and readiness to reconstruct China, means much. South China is a house of hidden treasures, a place of great future. The development of economic resources there will contribute greatly to the material prosperity of the nation and the establishment of national defense.

The development of natural resources is national in character. The Nanking government should formulate a definite program for provincial governments to follow and should help them with technical experts and necessary capital. Geographically speaking, South China, especially Fukien, is in proximity to Formosa, Japanese base of operations in pushing through the Southward Advance Policy. Unless directed and assisted by the central government, the provincial authorities might fall an easy prey to foreign jingoists who would, by intrigue or intimidation, force the former to adopt measures in infringement of national sovereignty and impairment of national interests. True, the development of the resources might be facilitated by foreign technical and financial aid, but the technical collaboration should be agreed upon by central and foreign governments, and should not be negotiated between local authorities and foreign representatives.

Development of Fukien Needs Help from Nanking

Deposits of coal silver, lead manganese and tungsten have, of late, been discovered in South and East Fukien. The development of mines of this kind is certainly a great necessity.

What with richness of soil, plenty of rain, and good climatic conditions, South Fukien is favorable to the growth of various kinds of fruits. As a fruit-producer, Fukien now has a great competitor in Formosa. Unless the timeworm methods of planting are replaced by scientific methods, the cheaper and superior Formosan products may in all probability crowd out the dearer and inferior Fukien products.

The coastal districts of East Fukien provide good fisheries. The fishing industry is, however, on the wane. The old methods of fishing stand in dire need of improvement.

The provincial government is devoting its attention to the reconstruction of Fukien; but, as a poverty-stricken province, Fukien can accomplish little provided she is not financially and technically helped by the Nanking government.

Network of Railways in South China

Of interest in connection with the economic development of South China is the plan of the Ministry of Railways to complete the network of railways in South China. Three lines are projected. The Nanking-Canton Line passes through Sunchiapu (Anhwei), Kaoan and Lanchi (Chekiang), Nanchang, Pinghsiang, and Changsha where it joins the Canton-Hankow Line. The Fukien-Kwangtung Line begins at Changchow (South Fukien), passes through Yungting, Tapu, and Chaoan, and terminates at Swatow. At Yungting, there is a branch line connecting West Fukien districts. The Kwantung-Kwangsi-Yunnan Line commences at Canton, passes through Kweilin and Liuchow (Kwangsi), and ends at Kangmin (Yunnan).

Foochow, Mar. 9, 1937.

Rates for Press Messages to Europe Reduced by 25 Percent

Beginning as from April 1 rates for press wires sent from China to countries in Europe and vice versa will be reduced by 25 percent, according to an agreement reached between the Ministry of Communications and the European authorities concerned.

The new rates will be 62 centimes per word as against the present rates of 83 centimes. A similar reduction of 25 percent, it may be recalled, was enforced last December 1 for rates for press messages between China and the United States.

Boy Scouts of China Observe National Day

National Boy Scouts Day was celebrated throughout the country Mar. 15. More than 3,000 boy scouts at the Capital attended the celebration held at the Public Recreation Ground here. Chen Chien-ju, Municipal Commissioner of Social Affairs, presided. Speeches were delivered by Lieut.-General Liu Yung-jao, representative of the National Boy Scouts Association; Yuan Yeh-chiu, of the Nanking City Party Headquarters; and Wang Sou-fang, of the Nanking Municipal Government. In a message to boy scouts throughout the country, Tai Chi-tao, President of the Examination Yuan and concurrently Vice-Chairman of the National Boy Scouts Association, called upon them each to contribute a part of their candy money towards the construction of the building of the National Boy Scouts Association as so to provide a permanent headquarters for the movement. Celebrations were also held in Anking, Canton, Taiyuan, Changsha, Wuchang, Kweiyang and Nanchang, according to reports received here.

In the United States Court for China

In re.
THE ESTATE
of
CHESTER ELTON
COLT,
Deceased.

Cause No. 4174
Special Proceedings
No. 2053
NOTICE
Filed at Shanghai, China,
February 27, 1937.
William T. Collins, Clerk.

Pursuant to an Order of said Court notice is hereby given to all persons having claims against the estate of Chester Elton Colt, deceased, to present the same with vouchers to the undersigned on or before September 6th., 1937, and all persons owing debts to said deceased are hereby notified to make payments of the same in due course to the undersigned.

Julian R. Briggs, Administrator,
c/o American Club,
Shanghai, China.

Shanghai, China.
February 27, 1937.

In the United States Court for China

In the mattet of the
change of name
of
ANNA SCHWAGER
GOLDBERG

Cause No. 4183
Special Proceedings
No. 2062
NOTICE
Filed at Shanghai China
March 16, 1937.
WILLIAM T. COLLINS,
Clerk.

NOTICE

Notice is hereby given that Anna Schwager Goldberg, an American citizen residing in China, has filed her petition in this Court praying for authority to change her name to Ann Summers.

Any person interested may, on or before April 3rd., 1937, offer and show to said Court why the said petition should not be granted.

WILLIAM T. COLLINS,
Clerk.

Soviet Ambassador Says U.S.S.R. Strong Enough to Repel Any Attack

Russia's military impregnability was the text of a remarkable speech by Ivan Maisky, the Soviet Ambassador to Great Britain, at a meeting in London Mar. 13, of a congress in sympathy with Sovietism. The danger of war, especially against the Soviets, had increased, he declared. According to highly reliable information, he proceeded, the German-Japanese pact against the Comintern amounted practically to an anti-Soviet military alliance. "Our two frontiers," he said in the course of a general warning, "have been made well-nigh impregnable by great fortifications and armies, and by our huge air force. I say with every responsibility for every word," he added, "that we are strong enough to repel, single-handed, any attack by any foreign Power or combination of Powers."

Tokyo Seeks Soviet Reconsideration on Visa Issue

Japanese authorities this week continued their efforts to secure the reconsideration of the Soviet Government's refusal to issue an entry visa to Chiune Sugihara, a secretary-interpreter recently ordered transferred for duty with the Japanese Embassy at Moscow. According to an official report received by the Foreign Office, Mamoru Shigemitsu, Japanese Ambassador at Moscow, drew the attention of B. S. Stomoniakov, vice-commissar for Foreign Affairs, to the fact that Soviet-Japanese relations would enter "a new phase" should such a "mysterious" Soviet attitude continue.

The Tokyo *Hochi* and other Japanese newspapers last week commented that the Soviet Union's unfriendly actions toward Japan are growing; and if the Soviet officials do not change their attitude, Japan may retaliate by refusing entry of Soviet diplomats and ordering the deportation of some of the present members of the Soviet Embassy and Soviet *Tass News Agency*, because there are undesirable elements among them.

Anti-God Movement in Russia Loses Momentum

The end of the anti-God movement was foreshadowed in Moscow Mar. 10 by an official statement which said the membership of the Bezbojniks, or Militant Godless League, had fallen from five millions in 1933 to below two millions. Many anti-religious organizations are threatened with disintegration. The Commissariat of Education has closed five anti-religious museums in the provinces and has suspended an important anti-religious institute with a membership of 3,000. The church, encouraged by the freedom of worship guaranteed under the new Constitution, is beginning a new drive.

Hsinking Protests New Border Incident

Another protest was lodged this week by the Hsinking authorities to the Soviets against the alleged firing by Russian border guards upon a Japanese automobile near Suifenho Mar. 14. The motorcar, bearing a group of Japanese officials inspecting the village of Kaoan, south of Tungning, was subjected to a severe rifle fire from a Soviet border "tochka"—a fort—a Kwantung Army communique said. None of the officials was hurt.

Outer Mongolians Refuse to Continue Conference with Manchukuo

Advices from Changchun state that there is no hope at present for a resumption of the conference between representatives of Outer Mongolia and Manchukuo, which suspended its deliberations at the end of last year. The authorities of Outer Mongolia not only refuse to discuss concrete matters relating to the fixation of boundaries between the two states, but are now declining even to continue the conversations. The attitude taken by the Outer Mongolian authorities is believed to be dictated by Soviet Russia.

Hayashi Avers Pact With Reich Not Step Towards Dictatorship

Gen. Senjuro Hayashi, Premier of Japan, Mar. 13 denied that the Anti-Communist Accord, concluded on Nov. 25 last year between Tokyo and Berlin, constituted a stepping stone in the process of placing Japan under a military dictatorship. The Prime Minister made this declaration in reply to an interpellation by Giichi Matsumura, Kosekikai, who denounced the agreement as "unnecessary" and "without merit" before the budgetary committee of the House of Peers.

Gen. Hayashi also denied that the accord contained any secret clauses. "This is being gradually understood by third Powers," he said. "We shall endeavor to further eliminate such misgivings."

After paying tribute to the recent statements of Naotake Sato, Foreign Minister, who stressed the need of reconsidering Japanese diplomatic policies and amending them to suit changed conditions, Mr. Matsumura lashed out against the anti-Red pact.

"I disagree with the Premier in his contention that circumstances made the conclusion of such an accord with Germany unavoidable," the Kosekikai speaker said.

Pointing out that the accord had precipitated unpleasant reactions, Mr. Matsumura stressed the need of correcting such conditions.

"The Comintern's destructive influences constitute a serious question for our country," he went on. "Under such circumstances to state that the accord was aimed solely at the Comintern and not at the Soviet Government, seems to me to be an endorsement of the Soviet contention that the Government and the Communist Internationale are separate entities."

Huge Power Company to Be Established by Japanese and Manchukuo Governments

The *Tokyo Nichi Nichi* Mar. 12 stated that a Yen 100,000,000 Hydraulic Power Company, jointly capitalized by Japan and Manchukuo, will be established by the end of this month as the first step of developing natural resources along the Manchukuo-Korean borders. The Manchukuo Government and the Korean Government-General recently completed a large-scale survey of water resources along the Yalu River with the object of promoting industries in the two countries, by mobilizing all the technical experts of Manchukuo, the South Manchuria Railway Company, and the Korean Government-General. As a result, it was discovered that the River Yalu is capable of generating 1,500,000 kilowatts of power.

Bank of Communications Said Investing in Manchukuo

Acting as an agent for capitalists in North China, the Mukden branch of the Chinese Bank of Communications recently made advances totalling Yen 500,000 to real estate brokers, pawn shops and other financial establishments, the *Kokutsu News* Agency said Mar. 12. This development, coupled with steps in a similar direction said to have been initiated by the Bank of China and the Hongkong and Shanghai Banking Corporation, is interpreted in financial circles in Mukden as indicating confidence in the political and economic stability of Manchukuo, the agency added.

Italian Consulate-General in Mukden to Reopen

Marking the resumption of Italian consular representation in Manchuria, an Italian Consulate-General will be opened in Mukden late this month. Italian consular establishments in Manchuria were closed following the creation of "Manchukuo."

S.M.R. Budget Likely to Expand Because of Many New Enterprises

The Tokyo *Chugai Shogyo* Mar. 12 stated that the South Manchurian Railway Company's working budget for the 1937-38 fiscal year, now under consideration by the Manchurian Affairs Bureau of the Cabinet in preparation for the official recognition by the Government by the latter part of this month, is likely to greatly exceed the amount originally estimated because of the operation of the five-year industrial project. The company plans to make a special loan from the Deposits Bureau of the Industrial Bank to raise funds to cover the expanded portion of the 1937 budget, although it will depend upon the debentures in addition to collection of payments on the company stocks to raise the funds to cover the original industrial plans.

House of Commons Discusses Smuggling, Mortgage Debts and Narcotics

Replying to questions in the House of Commons Mar. 18, Lord Cranborne on behalf of the Government stated with reference to the smuggling by Japanese in North China that he was fully aware that there had been rampant smuggling, but repeated that there had been sensible diminution.

Taking up the subject of mortgage debts in China, Lord Cranborne said he was expecting a report from the British Ambassador, Sir Hughe Knatchball-Hugessen, on the matter.

Answering a question concerning the smuggling of drugs into China, Lord Cranborne said the British Consular and other authorities periodically furnished information concerning the smuggling of drugs into China by Japanese nationals, which was supplied to the British Governments' representative on the League Opium Advisory Committee for such action as may seem useful and desirable. The question of publicity was determined by the League, he added.

Workers in 13 Silk Factories in Shanghai Go on Strike

Following a general strike declared by workers of the Chenfeng and other silk factories in Yangtszepoo recently, labor disputes have become more frequent in Shanghai. On the night of Mar. 15, a total of 13 silk factories in Eastern Shanghai declared a general walkout. The strike was started by the workers of the Yu Hou Silk Factory on Ward Road. Workers of 12 other silk factories in that district followed suit. They are unanimous in demanding increases of wages and the shortening of working hours. Following the declaration of the strike, police were rushed to the scene, but no incidents occured.

Three hundred workers in the China A.B.C. weaving mill are on strike in an effort to secure payment of bonus for the years 1934, 1935 and 1936.

News Notes from Canton

(By the Review's Canton Correspondent)

Exhibits shown at the 4-Province Special Products Exhibition are attracting large crowds of visitors. The displays include porcelain wares from Kiangsi, industrial and agricultural products from Hupeh and Hunan, and silk piece goods and government factory products from Kwangtung. The Canton-Hankow Railroad has a special show room where products transported by it are exhibited. One of the outstanding displays is a miniature porcelain palace valued at $4,000.

Raw opium which smugglers had concealed in bales of salted meat was seized recently by Customs officers at Swatow. The seizure was made when the meat was unloaded from the s.s. *Hoilee*, a China Merchants Steam Navigation Co. ship. When one of the bales of meat was accidently ripped open the packet of opium fell out and the rush made for it by the coolies nearby drew a Custom official's attention. A search of the entire shipment yielded 2,000 taels of the drug. Those taking delivery of the cargo were turned over to the Opium Searching Bureau together with the seized cargo.

General Hsiang Hon-ping, Vice Commander-in-Chief of the 4th Route Army, witnessed the military and naval maneuvers held at Hong Kong on Mar. 14. He was accompanied by a group of Canton military and Tangpu officials.

Special language training is now given to members of the Canton police force. Fifteen men have been selected for six months training in English and Mandarin, after which they will be assigned to the various stations throughout the city.

Cold storage warehouses will be constructed by the Canton-Hankow Railroad at Canton, Hankow, and Wuchang. Refrigerator cars will also be used. The increased demand for fresh fruits, vegetables and fish at stations along the line has necessitated the projects.

The Canton warehouse will have a capacity of 300 tons while those at Wuchang and Hankow will be equipped to handle 100 tons.

With preliminary surveys completed, the construction of the proposed Canton-Muiyuan Railway will begin shortly. A levy of surcharges on salt revenue will provide security for bond issues. The levy began on Mar. 6 and is expected to yield more than $8,000,000 annually.

More than twenty high ranking officers of the 4th Route Army left Canton on Mar. 12 to attend the National Army University in Nanking. These men, all senior officers or staff members, conferred with General Yu Han-mow, the Commander-in-Chief, before leaving for the North.

Twenty select members of the local Fire Brigade will study modern fire-fighting methods for three months under arrangements made with Hong Kong police officials. The Hong Kong-trained men will enable the local brigade to handle its new equipment more efficiently.

Mar. 13, 1937.

Sale of Wife for $75 to Start Business, Basis of Law Suit

Sun Ting-chun, an aged farmer who recently went to visit his married daughter but found that the son-in-law was not the one whom he had seen or blessed at the wedding, has started a unique lawsuit in Kuli village near Canton. Several years ago Sun's only daughter was married to one Chiang Liang-ju. The couple had lived happily together until Chiang became so frantic that a few weeks ago he sold his wife to a carpenter for $75. He left for a "big city" where he is reported to have started a small shop.

Although the woman did not protest the "sale marriage" and was living quite satisfied with the carpenter, her aged father insists that there is "something funny" about the whole matter and has asked the officials to help settle this unorthodox matrimonial tangle.

British Newspapers Protest Against Restriction on Freedom of Press

According to a London dispatch in the *North China Daily News* Mar. 11, British newspapermen are up in arms at a new proposal to restrict the freedom of the Press. A proposal was made by a Conservative member in the House of Commons Mar. 10 that newspapers should be prohibited from publishing private details in connection with wills. Fleet Street now fears that wills may be placed in the same category as divorce cases, which may only be published in the baldest manner. Political circles in London deny that there is any tendency to curtail the freedom of the Press except in minor respects, but the *Daily Express* in a trenchant editorial interpreted the new proposal as part of a widespreading challenge to public liberty.

"There are a number of people carrying on a constant campaign to prevent publication of facts they do not wish to be known," declared the newspaper. "You will find some of these people in the House of Commons, where the privilege of free speech allows them to say what they please."

In the United States Court for China

FRANCIS O. GREGORY, Plaintiff,
vs.
VESSIE GREGORY. Defendant.

Cause No. 4173
Civil No. 2052
ORDER
Filed at Shanghai, China, February 26, 1937.
WILLIAM T. COLLINS
Clerk

The object of this suit is an action for divorce.

WHEREAS, plaintiff herein, by his attorneys, has on the 25th day of February, 1937, made application for the substitution of publication for personal service upon the defendant herein; and

WHEREAS, it appears from the files in this case that on the 26th day of February, 1937, the summons for defendant was returned by the United States Marshal for China with the following noted thereon: "Defendant cannot be found within the jurisdiction of this Court"; and

WHEREAS, it appears from the files in this case that on the 24th day of February, 1937, the plaintiff herein filed an affidavit to the effect that the defendant does not now reside in China nor has she resided therein for the past six years, and that defendant's last known address was 934 G. Place, N.W., Washington, D.C.

NOW, THEREFORE, it is this 26th day of February, 1937, ORDERED that service upon the defendant be made by publication once a week for three consecutive weeks in the *China Weekly Review*, a paper of general circulation most likely to reach the defendant.

IT IS FURTHER ORDERED that the defendant cause her appearance to be entered herein on or before the fortieth day, exclusive of Sundays and legal holidays, occurring after the 20th day of March, 1937, the day of last publication of this Order; otherwise the case will be proceeded with as in case of default.

BY THE COURT:

Dated at Shanghai, China,

this 26th day of February, 1937.

MILTON J. HELMICK
Judge.

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Central Political Council Approves $10,000,000 Bond Issue

The flotation of $10,000,000 worth of Government bonds, the proceeds of which are to be used for paying off the indebtedness incurred by the Kuomintang during the period of the national revolution, has been approved by the Central Political Council and now awaits sanction by the Legislative Yuan, the *Shanghai Nichi-Nichi* of Mar. 12 stated.

The *Shanghai Nippo* Mar. 12 stated that officials of the Central Bank of China do not deny reports to the effect that the National Government is about to float a new bond issue amounting to $300,000,000. The bonds will be known as "National Defense Bonds" and will be secured upon the proceeds of the new income tax.

To Levy Income Tax on Interest from Deposits of Business Concerns

Income tax should be collected on interest accrued from current deposits made by business establishments, according to a recent ruling of handed down by the Ministry of Finance. Although there are 13,000 Government organs throughout the country, only 4,200 have remitted the Income Tax (So-Te Shui) on the salaries of their public functionaries to the Ministry of Finance, it was officially announced in Nanking Mar. 14.

Nanking Gives $600,000 Subsidy to Shensi

To defray urgent administrative expenses in Shensi, the Ministry of Finance has sent $600,000 to Sian. The grant was arranged as the result of a request of Gen. Sun Wei-ju, Chairman of the Shensi Provincial Government, who during his recent visit to the capital convinced Dr. H. H. Kung, Minister of Finance, of the urgent need of Shensi for financial aid.

Bank Clerk Absconds with $40,000 Public Funds in Hopei

The Hopei Provincial Bank has requested the Hopei authorities to effect the arrest of Fan Shao-chang, clerk of the Ningchin branch of the Bank, who has absconded with more than $40,000 public funds.

Bank of Communications Celebrates Thirtieth Anniversary

The thirtieth anniversary of the Bank of Communications, one of the "Three Government Banks" and specially chartered for the development of China's industries, was celebrated Mar. 14, when high Government officials and leaders of the local banking and commercial circles, attended a meeting at the New Asia Hotel. The entire staff of the Bank attended the gathering and helped Y. Hou, Chairman of the Board, and S. M. Tang, General Manager, in receiving the visitors, which included Dr. H. H. Kung, Minister of Finance, Tsou Lin and Hsu Kan, vice-Ministers of Finance, Peng Hsueh-pei, vice-Minister of Communications, Gen. Yang Hu, Garrison Commander for Woosung and Shanghai, Jian Chen, Director of the Central Mint, Y. M. Chien, General Manager of the Joint Savings Society, and Chou Tso-min, Chairman of the Kincheng Banking Corporation.

Annual Statement of Chekiang Industrial Bank Reveals Prospserous Condition

The annual statement of the Chekiang Industrial Bank, Ltd., published in brochure form, shows that it has reserves to a value of $2,190,000. The net profit for the year 1936 was $401,857.44.

Branch of Central Government Mint Established in Szechuen

Through the efforts of the Central Government, the plan for the administrative and financial reorganization of Szechuen has been gradually carried out.

The Szechuen Provincial authorities, after their recent announcement of the formal inauguration of the Provincial Bank, recently issued $1,000,000 worth of subsidiary paper notes for guaranteeing the expenses for public administration and other constructive works, and, with the approval of the Central Government, will issue $4,000,000 worth of new subsidiary paper notes by April 1, with the object of effecting a fundamental reform of the financial system in Szechuen. Besides, the Ministry of Finance has recently established a branch of the Central Government Mint in Szechuen, and has decided to withdraw the irregular coins from circulation and to mint new nickel subsidiary coins.

Japanese Banks to Hand Over Silver to Chinese Government

The *Shun Pao* says the Japanese banks have decided to return to the Chinese Government a total worth of $15,000,000 silver, held as follows: Chosen, $2,630,000; Yokohama Specie, $1,860,000; Mitsui, $1,700,000; Taiwan, $1,400,000; Mitsubishi, $750,000; Sumitomo, $860,000; other Japanese banks, $6,000,000; Total $15,200,000.

Final Examination Made of Bill to Reorganize Central Reserve Bank

Final examination of the bill for the reorganization of the Central Bank of China into the Central Reserve Bank of China was made at Nanking Mar. 16 at a joint meeting of the Finance, Economics and Codification committees of the Central Political Council. The bill will be brought up for approval at the next regular meeting of the Council, following which it will be referred to the Legislative Yuan for passage and enactment. In essence the Central Bank will be reorganized to function as a bankers' bank and will become an independent institution, devoting itself chiefly to maintaining stability of national currency.

It will hold the reserves of the banking system and act as the depository of all public funds, and will provide centralized rediscount facilities for other banks.

T. L. Soong Resigns Kwangtung Post

T. L. Soong, Commissioner of Finance for Kwangtung province and younger brother of T. V. Soong, has tendered his resignation to Dr. H. H. Kung, Minister of Finance, on the ground of ill health. It is likely that Chow Lin, Vice-Minister of Finance, who has decided to proceed to the south in the near future, will succeed Mr. Soong as the Head of the Finance Department of the Kwangtung Provincial Government. It is understood by the *Shanghai Nippo* (Mar. 15.) that, following his assumption of this post, Mr. Soong had doubled his efforts in placing local finances under the control of the Central Government, thereby coming into conflict with the important figures of the Canton Provincial Government, wherein lies the reason for his resignation.

Ministry of Education Says More Than Twelve Million Pupils in School in China

According to statistics compiled by the Ministry of Education, there were 259,095 primary schools in the country in the 22nd year of the Republic (1933). There were 12,383,479 pupils, of whom 1,757,398 graduated during the year. The number of primary school teachers totalled 556,451; and the value of school buildings and equipment amounted to $274,160,347.

Training School for Overseas Teachers Opened in Nanking

Paving the way for the closer unity between overseas Chinese and their fatherland, a training class for some sixty overseas Chinese school teachers was formally opened at the Overseas Affairs Commission in Nanking Mar. 15. The convocation exercises were presided over by Chen Shu-jen, Chairman of the Commission.

Shanghai International Educational Association Holds Annual General Meeting

The annual general meeting of the Shanghai International Educational Association was scheduled to be held at the New Asia Hotel, Friday, Mar. 19 at 7.30 p.m. The chair was taken by F. W. Kuck, Shanghai German School. Dr. C. T. Wang, Ambassador-designate to U.S.A. and Mayor Wu Te-chen delivered addresses.

Ten Students to Be Sent Abroad by Honan Province

Ten fellowship students, to be selected by competitive examinations, will be sent abroad for advanced studies by the Honan provincial government, it was announced in Kaifeng, Mar. 12. Registration for candidates, it is stated, will begin on April 1 and close on April 30, while the examinations will be held beginning from May 15. The successful candidates will be sent to England, Germany and the United States for the specialized studies.

Peiyang College to Be Organized Into University Shortly

The National Peiyang Engineering College is to be reorganized into a university with a College of Science, College of Medicine, and College of Law. Dr. Li Shu-tien, president of the college, will leave Tientsin for Nanking at the end of this month to confer with Dr. Wang Chung-hui, the Foreign Minister, and Dr. C. T. Wang, Chinese Ambassador-designate to Washington, who are both alumni of the institution.

Nanking Land Owners Cause Commotion—Not Satisfied with Expropriation Procedure

The Nanking Municipal Government headquarters was the scene of a commotion Mar. 5 when 200 landowners, whose land has been expropriated by the Municipal authorities, forced their way into the building in order to submit a joint petition. In the course of the disturbance, which was soon brought under control by the police, the uniform of a guard was torn to pieces while one of the petitioners was knocked unconscious.

The landowners were received by Wang Sou-fang, Chief Secretary of the Nanking Municipal Government. They requested that the price for their land be increased, that payment be made immediately in full, and that the land be re-surveyed.

Mr. Wang replied that the land had been expropriated for the requirements of the Military Affairs Commission. He promised to submit their request for an increase of price to the Commission for consideration. The land had been surveyed by the Commission by airplane and also measured by the Land Bureau of the Municipal Government, he said, but, should there be any mistake, dissatisfied owners might submit petitions individually for a second survey. Moreover, Mr. Wang said, according to the prescribed regulations, the land confiscated from former Manchu owners had to be assessed at a discount of 40 per cent.

Who's Who in China

General Liu Chien-sü, army officer; born at Liling, Hunan, August 13, 1891; after graduating from the Changsha Middle School in 1910, he joined a military institute in Nanking and became a member of the Kuomintang; then he studied at the Paoting Military Academy graduating in 1915, following which he returned to Hunan to enter active army service; when the Nationalist Northern Expedition was launched in 1926, he had already been a regimental commander; he was among the first of the Hunan military leaders to join the Nationalist cause and assisted the Expeditionary Forces in pacifying the province; when the Nationalists were advancing towards Wuhan cities, he commanded a vanguard force and was responsible for the capture of Hanyang, which finally brought about the fall of Hankow and Wuchang into Nationalist hands; during the Nationalist march northward in 1927, he fought many sanguinary battles in Honan and succeeded in capturing Chengchow against tremendous odds; in 1930, he was appointed Pacification Commissioner of Pingchiang and Liuyang in Hunan and later of South-eastern Hunan; his services in both pacification areas were greatly appreciated by the populace who erected many bridges named after him; in the spring of 1935, he fought against the Communists in Hunan and finally drove them out of the province; in September of the same year, he was appointed Commander-in-Chief of the 4th Route Army; in recognition of his meritorious services in bandit-suppression work, he was made in 1936 concurrently Pacification Commissioner for the Border Districts of Fukien, Chekiang, Kiangsi and Anhwei; he is stern in army discipline but liberal in political administration; he is regarded as one of the outstanding soldier-statesmen in the country; address: Headquarters of the 4th Route Army, Hangchow, Chekiang.

劉建緒
General Liu Chien-sü

劉建緒將軍，西歷一八九一年八月十三日生於湖南醴陵鄉間之姚家壩，一九一〇年畢業於長沙府中中學，旋入南京入伍生隊，攻習陸軍，並投身革命黨，追隨黃克強將軍鼓吹革命。一九一六年畢業於保定第三期砲科。回湘掌兵符，治軍極嚴，論者目爲湘軍之模範。迨一九二六年北伐軍興，已任團長，首先響應，北伐軍乃得一鼓而定湖湘。方北伐軍直搗武漢之際，將軍任前鋒，星夜率師渡大江，自金山東擊漢陽。輾轉血戰，始下。漢陽既下，武昌，漢口，不久乃入於北伐軍之手。一九二七年二次北伐，將軍統兵入豫，血戰千里，鄭州當平漢，隴海二路之中心，時敵屯兵十萬扼守。卒爲將軍堅銳之士卒，神速之策略所克服。一九三五年春，江西匪共西竄入湖南，將軍膺命督師痛勦，匪勢大殺。同年九月國民政府特授將軍第四路軍總指揮之職，至去年十月進勦至西康邊境，始奏凱班師。後中央當局以閩浙贛皖邊區地位極爲重要，特委將軍爲此區綏靖主任，清勦殘匪，安撫地方。將軍治軍雖嚴，但爲政則極仁愛，一九三〇年督辦湖南平瀏綏靖處時，地方人士崇其偉績，感其厚澤，建亭築橋，以將軍之名名之，蓋取紀念之意，其後督辦湘東南靖綏事宜，亦著殊績，如將軍者，誠可謂中國罕見之軍事家兼政治家也。

PAINTS AND PAINT WORK

H. B. CAMPBELL

1481 Bubbling Well Road

Phone : 34360

In the United States Court for China

OSCAR ELDER LINQUIST, Plaintiff, vs. LILLIAN MARGARET LINQUIST Defendant.	Cause No. 4178 Civil No. 2057 ORDER Filed at Shanghai, China, March 9, 1937. WILLIAM T. COLLINS Clerk

The object of this suit is an action for divorce

WHEREAS, plaintiff herein, by his attorneys, has this 9th day of March, 1937, made application for the substitution of publication for personal service upon the defendant herein; and

WHEREAS, it appears from the files in this case that on the 8th day of March, 1937, the summons for defendant was returned by the United States Marshal for China with the following noted thereon: "Defendant cannot be found within the jurisdiction of this Court"; and

WHEREAS, it appears from the files in this case that on the 9th day of March, 1937, the plaintiff herein field an affidavit to the effect that the defendant does not now reside in China nor has she resided therein since December 2, 1936, and that defendant's last known address was Room 301, 24 Central Road, Shanghai

NOW, THEREFORE, it is this 9th day of March, 1937, ORDERED that service upon the defendant be made by publication once a week for three consecutive weeks in the *China Weekly Review*, a paper of general circulation most likely to reach the defendant.

IT IS FURTHER ORDERED that the defendant cause her appearance to be entered herein on or before the fortieth day, exclusive of Sundays and legal holidays, occurring after the 27th day of March, 1937, the day of last publication of this Order; otherwise the case will be proceeded with as in case of default.

BY THE COURT:

Dated at Shanghai, China,
this 9th day of March, 1937,

MILTON J. HELMICK,
Judge.

Men and Events

The death occurred at Canton Mar. 14 of Lieut.-Gen. Chen Chang-fu, commander of the Third Division of the Fourth Route Army.

Julean Arnold, American Commercial Attache, visited Canton this week to investigate the recent reconstruction work in Kwangtung province and later proceeded to Hainan Island.

Chen Jui-chih, a staff member of the museum of the Greater Shanghai Municipality, departed for Japan last week to study the operation of museums in that country.

Seventeen person were killed and more than 60 injured when a wall of the Pao Shan Theatre in Hankow collapsed during a performance on the afternoen of Mar. 10.

China's leading meteorologists from all parts of the country will gather in Nanking on April 1 to attend the third convention of the Societe Meteorologique de China.

More than 100 missionaries who evacuated Shensi province during the Sian revolt have returned to the province lately, according to reports received in Peiping this week.

Dr. Robert F. Fitch, of Hangchow was the speaker at the Foreign Y.M.C.A. weekly meeting on Tuesday evening, Mar. 16. His subject was the "Mind Nature of the Universe."

Hollington K. Tong was host and Dr. C. T. Wang, co-host at a luncheon party at the Park Hotel on March 13, which included as guests local correspondents for American newspapers and friends.

Mrs. Owen Roberts of New York, for many years an official of the China Society of America, recently departed from Los Angeles on a trip to China. Mrs. Roberts has frequently traveled in the Far East.

Henry K. Murphy, well known American architect who designed numerous buildings for missions and commercial organizations in China who went to the United States several months ago is expected to return shortly.

Miss Eugenia Mae Barnett, daughter of Mr. and Mrs. E. E. Barnett of New York and until recently of Shanghai, and Frederick Schulties, of Seattle, were married last week in the Kobe College by the Rev. Thomas H. Haden.

National and Party flags were be half-masted and all amusements and entertainments ceased on Friday, Mar. 12, throughout China in commemoration of the 12th anniversary of the death of Dr. Sun Yat-sen, Founder of the Chinese Republic.

Definite arrangements have been made for the Yenching University (Peiping) chorus of over 100 voices to present the well-known oratorio "The Messiah" in Nanking on April 12 at the auditorium of the National Central University.

The University of Southern California has awarded Dr. Yi Seng-kiang, the newly-appointed Chinese Consul-General at New York, the honorary degree of Doctor of Foreign Service. Dr. Yi is expected to leave for New York in the near future.

Dr. Jose Alves Ferreira, Attorney-General at Macao, has been promoted to be a Judge and will leave soon for Portuguese West Africa. He will be replaced at Macao by Dr. Manuel Gaivao, who will be transferred from Beira, Portuguese East Africa.

At a meeting of the Fellowship Forum of the Community Church in Shanghai held March 14, Judge Milton J. Helmick of the United States Court for China spoke on President Roosevelt's proposed reform of the United States Supreme Court.

In commemoration of the occupation of Shanghai by the Northern Expeditionary Forces, under the leadership of Gen. Chiang Kai-shek in 1927, March 21 has been fixed as the "Shanghai Day" by the Shanghai City Government.

The owners of the steamer *Li Hang*, plying between Canton and Hongkong, which on Mar. 8 collided with and damaged the Japanese gunboat *Saga* lying in the harbor, have agreed to pay $20,000 for the repair of the damaged vessel, it was announced in Canton Mar. 11.

More than 500 selected pieces of Chinese art, including paintings and sculptures in bronze, jade and other media, will be displayed at the second National Art Exhibition on April 1 at the newly constructed National Art Gallery in Nanking which will also be opened on that day.

J. P. McAvoy, well known magazine and scenario writer, departed from Los Angeles on a trip to the Far East early in February and is expected in Shanghai shortly. He is accompanied by Mrs. McAvoy. Mr. AcMvoy and his daughter and son spent considerable time in the Far East two years ago.

Five hundred people were rendered destitute and homeless by an early morning fire which raged for fully four hours and reduced the entire building of the Great China Emporium and the surrounding houses along Taiping Road in Nanking to ashes, Mar. 11. The total loss was estimated at $1,000,000.

Thirty-three members of the Chinese Labor Corps who went to France during the World War, arrived back in Shanghai last week. A representative of the Shanghai Bureau of the Commission on Overseas Affairs met them at the boat and arranged transportation for them to their respective homes.

Shao Li-tse, Director of the Central Publicity Department of the Kuomintang, arrived in Shanghai Mar. 13 from Nanking. While here he met representatives of the local press, as well as literary and motion picture circles in order to foster closer contacts with them. Mr. Shao entertained the press representatives at the Hung Hwa Lou restaurant.

The Chinese steam launch s.s. *Feng Chien*, operated by the Fu Yun Shipping Company, was pirated Mar. 14 while en route from Chinkiang to Chingkiangpu. The outlaws boarded the vessel and made a systematic search of the boat and passengers before they decamped. It is reported that a large number of mail bags are also missing.

On Mar. 11 Miss May Caroline Thompson died at the Paulun Hospital, Shanghai, as the result of self-administered poison. Miss Thompson, a British subject, was well-known in Shanghai, having been prominent in sports and athletic circles. For the past several years she had been employed by the office of the Athletic Director of the Foreign Y.M.C.A.

John K. Caldwell, U. S. Consul-General at Tientsin, was to have left San Francisco Mar. 6 on his return to China in the *President Coolidge*. However, owing to the fact that the vessel was involved in a collision in San Francisco bay, his departure was delayed. Most of the *Coolidge's* passengers will arrive by the *President Taft* sailing from San Francisco Mar. 30.

After an absence from the capital for more than six years, Dr. A. J. Bowen, former president of the University of Nanking, and Mrs. Bowen returned to Nanking Mar. 12. Dr. Bowen, who had previously been in China for a period of 30 years, will serve as adviser to the University. Dr. Y. G. Chen, the incumbent President, met Dr. and Mrs. Bowen on their arrival in Shanghai.

Figures presented at the annual meeting of the China Finance Corporation held in Shanghai Mar. 15, showed that profits to the amount of $14,985.52 were earned during the year and in addition $10,265.80 had been recovered from former bad debts. R. H. Parker, the president, in his speech to the assembled shareholders stated that the reserves had been reduced by a large amount.

On March 12 the American University Club, Shanghai, reported that a total of $973.08 had been received as contributions toward the J. B. Lee Scholarship Fund, which is being sponsored by that organization. So far 59 persons have contributed to the fund. The largest single amount, $101.08, was obtained from the proceeds of a tea dance held on Washington's Birthday, February 22.

Julia Ellsworth Ford, author of the novel "Consequences," which was translated into the Chinese language and widely circulated here several years ago, has recently established the Julia Ellsworth Ford Foundation in Los Angeles. The foundation conducts contests and offers prizes for books which encourage originality and imagination in children's literature in the United States. The headquarters of the foundation is 737 H. W. Hellman Building, Los Angeles.

S. C. Young, Deputy Commissioner of Police of the Shanghai Foreign Settlement, gave a history of the Shanghai Municipal Police since 1854, (when authority for its establishment was first obtained) at a meeting of the British Residents' Association Feb. 26. He described the successive stages of the Force, which originally consisted of a superintendent and eight men, grew to about 200 during the Taiping rebellion and now numbers nearly 5,000—452 foreigners, 272 Japanese, 555 Sikhs and 3,452 Chinese.

The long-heralded motion picture based on Pearl Buck's novel, "The Good Earth," has at last been released in the United States. More than a year was required for its production, and the reported cost was US$2,500,000. The film was produced under difficulties—the director committed suicide, and Irving Thalberg, the presiding genius, died. However, according to reviews which it has received in American periodicals, the picture emerges as a real cinema epic, sure to rank as one of the great pictures of all time. The leading roles are played by Luise Rainer and Paul Muni.

Joseph Francis Takagi, Shanghai resident for 61 years, who could speak six languages but not his own, died at the Shanghai Sanitarium during the night of March. 12. At his besides was his wife, nee Ma Wu-cheng, granddaughter of Ma Hsin-ta, one-time secretary to Li Hung-chang, Viceroy of Chihli and one of China's best known statemen. The deceased was a landowner and a prominent member of the Japanese Club and the Nagasaki Native Sons' Society. Brought to Shanghai by his elder brother in 1876, when he was but four years old, Mr. Takagi was educated by the French Catholic Fathers, and early became a Catholic.

It was reported on Mar. 12 that arrangements were being made to move Frederick Snite, Jr. 26 year old sufferer from infantile paralysis, from Peiping to America. At the end of March Mr. Snite will have been in the "iron lung" at P.U.M.C. for a year. It has been arranged that a special coach will be attached to the train in which he will travel to Shanghai; the lung will be kept in operation by manual power until he is safely on the train. Mr. Snite will sail from Shanghai June 1 on the *President Coolidge*. He will be accompanied by three nurses, his physician, Dr. C. E. Forkner of P.U.M.C., his sister and his parents, who have been with him in Peiping for the past year.

Chen Chieh, Administrative Vice-minister of Foreign Affairs, proceeded to Tientsin Mar. 17 to officiate at a party for the announcement of his son's engagement to Miss Chen, daughter of Chen Kwan-yi.

The Kuling American School has issued the *Lushan Lantern*, a magazine of 80 pages replete with sprightly contents and numerous illustrations. The Kuling American School was opened Sept. 4, 1916. It is a joint venture of the North Presbyterian and the American Episcopal Churches.

Baron de Stael von Holstein, a world-famous Sanskrit scholar, died in Peiping Mar. 16 at the age of 57. Baron von Holstein was born in the Russian Baltic Provinces and was one of the largest landowners there before the Russian revolution. After the revolution, he came to China across Siberia and settled in Peiping, where he had resided for the past 20 years.

Dr. and Mrs. Charles E. Scott of the American Presbyterain Mission at Tsinan, are visitors to Shanghai. They are the grandparents of Helen Priscilla Stam, the "Miracle Baby," whose missionary father and mother were slain by Red-bandits in Southern Anhwei. Grandfather Scott is here to buy a monument for the grave of John and Betty Stam in Wuhu, Anhwei, parents of the child.

Dr. H. H. Kung, Chinese Minister of Finance, and Dr. C. T. Wang, Chinese Ambassador to Washington and chairman of the Chinese National Association for the Promotion of Athletics, have been consulted regarding plans for the construction in Shanghai of a gymnasium by the local Japanese Y.M.C.A., the *Shanghai Nippo* stated Mar. 16.

Geoffrey Imeson, Chief Editor of *Reuters Service* at Shanghai is departing shortly with Mrs. Imeson, for Peiping where Mr. Imeson will take cnarge of the Peiping office during the absence of Frank Oliver, Manager of the Peiping bureau, in England on home leave. Mr. and Mrs. Oliver are expected in Shanghai prior to their departure for Europe.

The American Communiiy Committee of Shanghai expended $7,785.37 for civilian relief last year, according to the annual report issued Mar. 13. Nineteen persons were repatriated and given funds to return to mainland United States and Hawaii. This amounted to $3,307.53. The proposed budget for 1937 provides for the expenditure of $10,600 for civilian relief and $1,700 for other expenses, including holiday celebrations.

Dr. John C. Ferguson, founder and the first president of the University of Nanking, addressed the students and faculty members of the institution at its weekly assembly in Nanking Mar. 15 when he recounted the experiences of his 49-year stay in China and his efforts in promoting education in this country. His address was delivered in fluent Chinese. Dr. Ferguson came to Nanking to attend the meeting of the Board of Directors of the University of Nanking.

Prof. Maurice Votaw, of the Journalism Department of St. John's University, Shanghai, who has been visiting at his home in Columbia, Mo., is returning to Shanghai shortly. Prof. Votaw recently presented to the School of Journalism of the University of Missouri, of which he is a graduate, the original plate from which the first book of Common Prayer of the Episcopal Church was printed in the Chinese language. The plate was made of wood and consisted of four pages.

Agnes Smedley, American woman adviser with the former Chinese red forces in northern Shensi province, contributed an article entitled, "How Chiang Was Captured," to the Feb. 13 issue of *The Nation*, N.Y. Her article apparently was mailed to New York directly from Sian. She stated in the course of the article that the Sian incident ended one phase of a year-long struggle, "in which Marshal Chang Hsueh-liang obeyed the orders of Gen. Chiang Kai-shek until his (Marshal Chang's) entire army threatened to take independent action . . ."

Charles Page Perin, distinguished American engineer who built two blast furnaces for the Chinese Government near Peking many years ago, died in New York City on Feb. 16. Mr. Perin also performed several other notable engineering works in China but became internationally known through his development of the famous Tata Iron and Steel Company of India. Serving under the auspices of the Government of India, Mr. Perin discovered deposits of iron ore amounting to more than two thousand million tons, located near the model city of Jamshedpur which he built and created from a trackless jungle.

Victor Keen, correspondent in China for the New York *Herald-Tribune*, who was prevented from flying to Sian, capital of Shensi province, by the police of the Chinese Municipality of Greater Shanghai on Tuesday, Mar. 9, finally succeeded in reaching Sian several days later, by rail. Mr. Keen, along with a number of other correspondents in Shanghai had been invited to visit the areas in Shensi occupied by the former communist troops, but when the correspondents prepared to make the trip the Foreign Office at Nanking refused to issue visaes and when Mr. Keen attempted to board the plane of the Eurasia line at the Lunghwa airdrome he was forcibly prevented from proceeding on the journey by armed police. Mr. Keen then purchased a ticket on the railway and took the next train and according to a telegram published by the official *Central News*, succeeded in reaching his destination and interviewed Gen. Sun Wei-ju, Chairman of the province. The *Herald-Tribune* officially protested through the Chinese Embassy at Washington, at the interference with the activities of its correspondent in China.

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New Books of Interest in the Far East

Italian Diplomacy Before the Advent of Fascism

Europe and Europeans, A Study in Historical Psychology and International Politics. By Count Carlo Sforza. George G. Harrap and Co., London, 1936, 264pp.

A different diplomacy from that which prevails in Europe today is advocated by Count Carlo Sforza in the pages of this book, which is either a defense or an explanation of the policies he followed while serving in the Foreign Office of Italy.

Count Sforza, who learned his diplomacy under Marquis Visconti Venosta and served in London, Paris, China, Serbia and other Balkan countries (to mention a few of the countries he visited in one capacity or another), became Foreign Minister for Italy in 1920, returning to France in 1922 as Ambassador, where he was stationed when the Fascist regime came into power in Rome. He immediately went back to Italy where he served in the Senate and "opposed Fascism as long as public discussion was allowed (until the end of 1925)."

Diplomats are, generally speaking, "blind shepherds, he learned from these experiences, and much of his book is devoted to an analysis of the mistakes made by the various countries since the war—the French occupation of the Ruhr, the German socialist regime, the mandate system, the colonial illusion, and, most of all, power diplomacy.

His criticisms of the diplomacy of the dictatorial countries are outspoken: "The demagogues who take up so much room in post-war Europe believe, in their elementary naivete, that they show manifest superiority by playing exclusively at *real-politik*," he writes.

Count Sforza point out that the "grab-what-you-can" policy only stirs up animosities and does little to aid the country which practices it.

Probably the best illustration of his diplomacy is given in his discussion of the relations between Italy and Yugoslavia. Count Sforza took a leading part in the negotiation of the Rapallo Treaty (Italy and Yugoslavia; signed Nov. 12, 1920), being at the time the Italian Foreign Minister. From the terms of this treaty Italy derived the idea of a "mutilated victory," because she did not acquire sufficient territory. Count Sforza, however, asserts that Italy's victory was complete, because the World War ended with the dissolution of the Austro-Hungarian Empire, which was the greatest threat to Italian unity. During the negotiations at Rapallo he fought for the expansion of the Italian frontiers to the Alps, but refused to consider the annexation of Dalmatia.

He points out that the annexation to Italy of Dalmatia, the population of which was 90 per cent Slav, would have meant anything but peace for Italy.

This is the type of diplomacy which he favors—a diplomacy which prefers peace and international good will to the satisfying of national egotism; a diplomacy which mollifies racial minorities rather than discriminating against them; a diplomacy which considers not only the next five years but also the next fifty years.

The book is essentially a subjective work, dealing with the author's experiences and ideas concerning post-war Europe and its psychology, and as such is of decided value to those who are tired of official communiques and bombastic pronunciamentos. Its dedication, although hardly descriptive of the book, shows what is in the mind of the author: "To All Those Who Still Want to Hope."

F. W. G.

Development of the Peace Movement in Ameriea

Peace or War, The American Struggle 1636-1936. By Merle Curti, Professor of History, Smith College. W. W. Norton & Company, New York, 1936. Cloth, 310 pages, notes and index. U.S.$3 00.

Very few will need to be convinced of the implication of this book that war is a bad thing from which mankind ought to free itself. Even the strategist has said that war was "a continuation of policy," presumably not to be pursued except when diplomacy fails. Situated as America is, it is a question whether she is more ready to pursue peace in preference to war than any other nation would be in her circmstances.

It is for this reason that the reviewer feels that there is a certain unreality about Professor Curti's thesis that there has been "an American struggle against war" from 1936 to the present time. Can one say there has been a peace movement during all this time of any degree of continuity? Can the peace movement be very well studied as an American struggle, through American history alone, independently of other lands. There is passing mention of Grotius, as having been read by American colonists; there is no mention of Immanuel Kant's treatise "Towards Eternal Peace"; yet any believer in the peace movement today surely draws his inspiration from Kant as much as he does from Roger Williams or John Woolman. The reaction against war has not been peculiarly American. Americans have had a prominent part in it. All honor to them, when like Williams, Woolman, Jane Addams, and many another they have spent themselves in so doing.

The author in giving the American phase of the struggle to end war shows himself clearly sympathetic with the history he records. His history is in fact to be judged as a mild kind of propaganda. Yet in all there seems to be a certain logical fallacy, in drawing together unrelated activities from one country alone over a long period of years. Norman Angell's "The Unseen Assassins" goes surely more nearly to the heart of the problem of war faced by the world today. Professor Curti's book has value for any who wish to have information of various facts related to the peace movement in America. To others who have the same interest in the peace movement as a whole the book will seem lacking in provocativeness.

D. R.

Graphic Horrors of War Told in Pictures

War—Drawings and Etchings. By Kerr Eby. Yale University Press. $2 50 (U.S.)

Except for a few pages of written introduction, vividly, almost profanely, inscribed by the author in deadly earnestness, this is a story told by pictures alone. But they are pictures that speak aloud, that cry out, against the stark reality and inevitable horrors of any war fought today. There are twenty-eight full-page etchings, lithographs, and drawings, exhibited widely during the past season, and now presented for a wider public in book form. Some of them, once seen, can never be forgotten,—surely the best testimony that the author's purpose has been accomplished. One of a long train of infantry, blinded by poison gas, is labelled "Pencil Sellers, Class of '17." That one hit home, because the Class of '17 was this reviewer's college class. Equally impressive and unforgettable are: "The Last Supper," a group of soldiers caught by a shell while supping in a dug-out; "The Golden Rule," mangled bodies and broken gun-carriages, (Is this what you would that men should do to you?); and "Mama's Boy," a picture of any mother's son left sprawling with gun still in his grasp, bayonet fixed, legs shot away, shoes and unrolling puttees trailing behind him.

The book is dedicated "To those who gave their lives for an idea, the men who never came back." And the author says:

> "I write in all humility of spirit, in the desperate hope that somehow it may be of use in the forlorn and seemingly hopeless fight against war. About the prints and drawings in this book I make no comment, save that they were made from the indelible impressions of war. They are not imaginary. I saw them.
>
> "I have been accused of being a pacifist. Just what constitutes a pacifist is rather vague in my mind. I am not a pacifist if it means not to see the necessity of an army and navy in this world as it is and not to thank God for them. If it is to keep turning the other cheek like the pivoted head of an owl, I have not reached that state of Christian forbearance, but I am most certainly a pacifist if being one is to believe that there can be and are other ways of settling differences between Christian nations than murdering youngsters—and that lawful, not to say, sanctified, wholesale slaughter is simply slobbering imbecility."

One could wish that the book were on the living-room table of every home—in America, in Germany, in France, in Italy, in Japan and in China (for pictures speak a universal language)—so that youth and even children, too young to remember, might grasp some idea of the meaning of War.

G. T. F.

External Trade of Manchuria Discussed in "Nankai Social and Economic Quarterly"

"The External Trade of Manchuria" is the subject of an informative brochure compiled by A. J. Grajdanzev, which has been reprinted from the January issue of the Nankai Social and Economic Quarterly. The analysis covers the period of 1928-1935.

Among the outstanding facts recorded in this bulletin are the following:

Formerly with a favorable balance of trade, Manchuria has now an average unfavorable balance of more than 100 million dollars. Though chiefly agricultural in character, the country imports more and more rice and wheat flour from Japan. The nature of consumable goods imported has undergone important alterations: imports for consumption by the masses of the population have increased and are rising. Imports of machinery and metals have shown a sudden leap; but instead of indicating a new growing industrial order, they reflect only the hurried construction of strategic railways by the Japanese military.

From 55 to 65 per cent of the value of Manhcurian exports, and from 60 to 70 per cent of the total weight are represented by beans and bean products. Manchuria, therefore, is primarily a "monoculture" country.

The Chinese market is lost and will be lost to Manchuria in so far as China found it necessary to impose duties on goods from Manchuria which had previously been made to bar Chinese pro-

ducts through a high tariff wall. Japan has ceased to use Manchurian bean oil and is reducing her purchases of bean cake, now that a substitute has been found in sulphate of ammonia. In Europe the chief consumer of beans and bean products is Germany, but Germany with her autarchical aspirations is now aiming to balance her trade with every country. An increase of German imports of Manchurian beans and bean products is hardly probable, so long as Manchurian market for foreign imports is monopolized by Japan.

The Japanese army has had to spend annually from 150 to 180 million dollars as a result of the Manchurian "Incident" in September, 1931. During the heated debates in the Japanese Diet in 1934, the War Minister explained that a great part of the war appropriations was spent in Japan. Nevertheless, it may be reasonably supposed that the expenses of stationing an army of 80,000 to 100,000 equipped for war and waging war upon "bandits" and lately "communist bands," and the expenses of construction of fortresses in North and West Manchuria could not have been less than 100 million yen or 100 million silver dollars.

In 1932, the remittances of the Japanese in Manchuria to Japan through Japanese banks exceeded the receipts from Japan by about 78 million dollars. In 1933, the number of Japanese officials in Manchurian service increased and Japanese traders were reported to be doing "good business." The net remittances to Japan may therefore be put at a higher figure, say 90 million yen, or 80 million dollars, for 1933 and 90 million Manchukuo yen for 1934. The remittances to China may be put at 40 million dollars for 1933 and 30 million for 1934.

"Trends in Chinese Public Administration"

A recent information bulletin entitled "Trends in Chinese Public Administration" deals with that phase of government which experts believe to be the major task of government—that, of administration.

The study is split into five parts, beginning with a short introduction on present conditions and methods, quoting the Generalissimo's three cardinal principles of administration, that is, "chiao" or training, "yang" or rehabilitation, and "wei" or protection. The author is Ray Chang ,Counsellor of the Executive Yuan and Director of the Commission on Administrative Efficiency.

Council on Foreign Relations Issues Report on 15 Years Activities

The Council on Foreign Relations (45 East 65th St., N.Y.), of which the late Elihu Root was honorary president, has printed a small book of 56 pages to mark the fifteenth anniversary of the incorporation of the Council. The need for such an organization was impressed on a group of men who attended the Paris Peace Conference, and the Council was the result. Membership is restricted to citizens of the United States. One of the aims of the Council is to provide means whereby those who have special knowledge of a particular field may share that knowledge with others. A brief record of the Council's activities during the 15 years of existence is contained in the book.

Salvation Army in Shanghai Conducts Drive for Funds

A pamphlet issued by the Salvation Army in Shanghai, (422 N. Soochow Road) of which Major Archie Harris is in charge, shows that its annual budget approximates $80,000. The army conducts a Foreign Men's Hostel, a Foreign Men's Shelter, a Mission for Ricshamen, two Discharged Prisoners' Aid Centres, one Training and Occupational Centre for Discharged Borstal Boys, and an Unemployment and Relief Bureau. The Army is conducting a successful drive to raise funds.

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Soviet Submarines in the Far East

Writing in the March number of *Pacific Affairs* (129 East 52nd Street, N.Y.) Albert Parry and Alexander Kiralfy claim in an article, "Soviet Submarines in the Far East," that Russia's submarine fleet appears destined to play a deciding role in the event of a Soviet-Japanese conflict. They claim that although the significance of the underwater weapon is not yet known, next to the air fleet "the submarine squadron is potentially the most spectacular and most significant weapon of the Soviet Union in the Far East." They add, "The exposed sea-lane of Japan's communication with the mainland may prove to be as uneasy a link as was the single-track Trans-Siberian railroad in Russia's scheme of prepardness and fighting in 1904-05." Considering all factors they conclude that the advantage would likely be with the Soviet Union in a submarine offensive against Japan and may well be the deciding factor in a conflict.

The Agricultural Foundation of Siberia's Economy

Several interesting articles appear in the Feb. 17 issue of the *Far Eastern Survey*, published by theAmerican Council of the Institute of Pacific Relations, 129 East 52nd Street, New York City. Among them is "The Agricultural Foundation of Siberia's Economy" by Kathleen Barnes, research associate. Pointing out that Siberia is "a vista of unknown potentialities," she shows that despite Siberia's peculiar physical problems and its scanty population, "the sown area is being extended, crops are being introduced into areas which had not known them earlier, herds are being increased and improved, and combines are taking the place of the old hand reaping." The study also includes a description of tractor stations serving farms, which are now 90% collectivized, the use to which electric power has been put, and the field of livestock development. She points out that truly astonishing gains have been made.

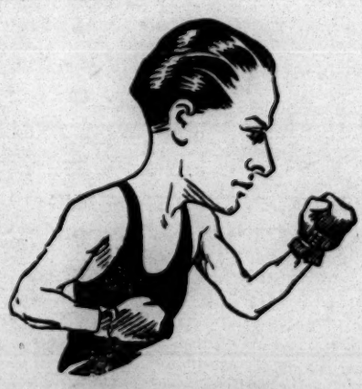
In the same issue there are also articles as follows: "Brazil's Cotton and Japanese Immigration," "Strikes in Japanese Mills in China," "Portuguese Possessions in the Far East," and others.

"The China Institute Bulletin"—A Mimeographed Publication

The China Institute Bulletin (119 W. 57th St., N.Y.) is a 35-page mimeographed publication edited by M. Hsitien Lien. As stated in its sub-title it is devoted to surveying various aspects of contemporary Chinese thought.

Paula Lecler Writes Sketch of Gen. Chiang Kai-shek in New York "Times"

According to Paula Lecler, writing in a recent issue of the *New York Times*, Chiang Kai-shek has often startled China and the world. His kidnapping by Chang Hsueh-liang at Sian and his release after two weeks of mysterious negotiations were but the latest in a series of stirring events that began ten years ago, when he occupied Nanking after a revolutionary march from Canton. Since then he has been consolidating his position in China, and China's position in the Far East. In the course of her review of his life and attainments, Paula Lecler declared that if ever a country needed shrewd leadership it was China today. In external affairs the threat of Japanese domination grows. Internally the country is still disunited. As she sees it, Chiang Kai-shek's task is to hold off Japan and to unify the nation.



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March 17, 1937

Stock Exchange—Business Done:-

Total Volume: 1,750,000 Shares

1936—37 High	Low	Div. $ per sh.	STOCK	Last Sale Mar. 15	Mar. 16
22⅜	9⅝	0.55	Adams Express	22	21¾
82⅝	85⅝	1.50	Allis Chalmers	67⅝	68¼
137½	105⅝	4.00	American Can	109¾	109¼
40⅜	29¼	0.00	Amer. Cyanamid "B"	32⅛	32½
13¼	6½	—	American & For. Power	12	12⅛
68¼	29⅜	—	American & Foreign Pwr. $7. pfd.	58¼	59¼
29¼	18⅜	0.60	American Radiator	26⅝	26⅞
190⅛	149½	9.00	American Tel. & Tel.	175¼	174
104	83	5.00	American Tobacco "B"	83½	83¼
29½	19⅛	0.80	American Waterworks	24⅛	24
69¼	28	1.00	Anaconda Copper	66⅛	66¼
88⅛	59	2.00	Atchison, T. & S. Fe	83	84
54¼	26⅝	—	Auburn	30	29¾
57	15⅞	—	Baltimore & Ohio	35⅞	38¾
104⅞	45¾	1.50	Bethlehem Steel	99¾	100½
49⅛	16⅞	—	Boeing Airplane Co.	47⅜	46⅝
17⅜	10⅞	—	Canadian Pacific Railway	16	15⅝
186	92½	4.00	Case, J. I.	156	156½
100	59	3.00	Chesapeake Corp.	83½	85
77½	51	2.80	Chesapeake & Ohio	63¾	64
137⅝	85½	12.00	Chrysler	127⅜	127¼
23⅜	14	0.60	Columbia Gas Electric	16½	16⅝
24⅝	14¼	0.60	Coml. Sovents	18⅜	19¼
5½	2¼	—	Commonwealth & Southern, ord.	3	3⅛
49⅜	27¼	2.00	Consolinated Edison	40⅛	40⅝
17½	11½	0.80	Consolidated Oil	17	17
45	28⅛	1.00	Continental Oil	43⅜	44¼
82½	63⅝	3.00	Corn Products	68½	69
82¼	50⅝	—	Douglas Aircraft	65½	65
184¾	133	7.00	Du Pont de Nemours	168¾	169
28	15⅜	—	Electric Bond & Share	23½	23½
64½	34¼	1.00	General Electric	58¾	59
44	29⅝	2.00	General Foods	42½	42½
77	57⅜	4.50	General Motors	65⅜	65⅝
64	39¼	1.00	General Railway Signal	53½	55
49⅜	17¾	1.00	Gold Dust	47⅝	48⅝
46¼	21⅝	0.50	Goodyear Tire & Rubber	45¼	46½
86¾	57	1.00	Humble Oil	83	83¼
72⅜	42¼	1.60	International Nickel	71⅜	71½
19¼	11¼	—	International Tel. & Tel.	13⅜	14½
68¼	28¾	1.70	Kennecott	65½	65⅝
80¾	43	2.00	Loew's Inc.	77¼	78⅜
28⅛	21¼	1.20	Lorillard	24⅝	24⅝
103	79	1.70	Monsanto Chemical	93	93¼
68¾	35¾	2.00	Montgomery Ward	66¾	67½
37¾	29½	2.19	Nat. Bond Investment	28⅝	28⅜
28¼	21	1.20	National Dairy Prods.	24⅝	25⅝
33⅜	25¾	2.00	National Distillers	33⅛	34¼
14⅞	9¾	0.60	National Power & Lt.	11¾	11⅜
52⅞	27⅜	—	New York Central	51½	52⅝
36⅜	23⅜	1.00	North American	27½	27½
41	30¾	2.00	Pacific Gas & Electric	32½	32⅝
58⅜	44⅜	3.00	Pacific Lighting	45½	45¼
13⅝	6⅜	0.45	Packard Motors	11	11
48½	28¼	2.00	Pennsylvania Railroad	47⅜	48⅛
57⅜	38⅛	2.50	Phillips Petroleum	57⅛	57
52½	39	2.60	Public Serv. of N. J.	43¼	43⅝
14¼	9¾	—	Radio Corporation of Amer.	11⅝	11⅜
60¼	50	3.00	Reynolds Tobacco "B"	52	52¼
55⅞	37⅜	3.00	Schnley	48¼	50⅜
101½	59⅝	3.00	Sears Roebuck	93	94⅜
19⅜	12½	0.70	Socony-Vacuum	18⅜	18⅝
32½	25	1.50	Southern California Edison	27¼	27¼
64⅛	29¼	—	Southern Pacific	61⅞	63⅜
18⅛	14⅜	0.80	Standard Brands	15⅜	15¼
14¼	5¼	—	Standard Gas & Electric	12¾	12⅝
75½	51½	1.00	Standard Oil Co. of N. J.	73	73¼
78½	65	3.80	Sterling Products	65	66
44⅜	33	2.00	Texas Gulf Sulphur	39⅜	39⅝
18⅛	11	0.40	Transamerica	16⅜	16½
110½	71⅝	2.80	Union Caride & Carbon	106¾	107⅝
149¾	108¼	6.00	Union Pacific	144	148
34⅝	20⅝	0.50	United Aircraft (New)	33½	33⅝
24⅛	13	0.20	United Airline Trans.	21	21¾
13½	4	—	United Corporation	6½	6⅝
19½	14¼	1.00	United Gas Improvement	14½	14½
59	31¼	—	U. S. Indus. Alcohol	39	40
67	16⅜	—	U. S. Rubber	65	67½
126	46¾	—	U. S. Steel	121	121⅜
38¼	16¼	—	Vanadium	36⅝	37⅜
18⅜	9¼	—	Warner Bros. Pictures	15	15⅛
166	94½	5.50	Westinghouse Electric	146	148

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